



OFFICE OF STATE TREASURER

YEAR ENDED JUNE 30, 1998

**From The Office Of State Auditor  
Claire McCaskill**

Report No. 99-47  
July 28, 1999

# AUDIT REPORT



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

**The following problems were discovered during the annual audit conducted of the Missouri State Treasurer's Office.**

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The State Treasurer's Office maintains numerous bank accounts to handle state monies. Due to the volume of activity, and the number and complexity of reconciling items, many of the main operating accounts are normally reconciled daily. However, one of these accounts, the Electronic Receipt Account, was not being reconciled on a timely basis. During our audit, we noted that the daily bank reconciliations for this account ranged from five to nine months behind. To allow errors and other reconciling items to be identified, researched, and corrected in a timely manner, bank reconciliations should be kept up-to-date.

The State Treasurer's Office did not properly transfer the excess fund balance from the Abandoned Fund Account Fund to the General Revenue Fund as required by state law. The Abandoned Fund Account Fund was established by state law to accept deposits of all abandoned property turned over to the state and to pay claims and expenses related to that abandoned property.

Audits and other reviews of deposits and loans related to several components of the Missouri First Linked Deposit Program were not being performed on a timely basis or in accordance with written procedures. Reviews of the amount of outstanding loans of Agriculture and Small Business program participants for deposits maturing in 1997 had not been performed as of December 1998. The State Treasurer's Office's written procedures for the Job Creation component require that, annually, 10 to 20 percent of maturing program deposits be selected for audit. However, for the last two years, deposits were only selected for audit if the borrower self-reported that they did not create or retain the required number of jobs, or if the number of jobs reported by the borrower exceeded the number of jobs indicated on Division of Employment Security records.

Regarding all findings, the State Treasurer's Office has generally agreed with the recommendations of the State Auditor, and has committed to making improvements in areas where concerns were noted.

YELLOW SHEET

OFFICE OF STATE TREASURER

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## FINANCIAL SECTION

## State Auditor's Reports



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

**INDEPENDENT AUDITOR'S REPORT ON  
THE FINANCIAL STATEMENTS**

Honorable Bob Holden  
State Treasurer  
Jefferson City, Missouri 65102

We have audited the accompanying special-purpose financial statements of the various funds of the Office of State Treasurer as of and for the year ended June 30, 1998, as identified in the table of contents. These special-purpose financial statements are the responsibility of the office's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

Except as discussed in the fourth paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the financial position, results of operations, and cash flows of the Central Check Mailing Service Revolving Fund; the receipts, disbursements, and changes in cash and investments of the Abandoned Fund Account Fund and the Treasurer's Information Fund; and the appropriations and expenditures of the various funds of the Office of State Treasurer. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of the various funds of the office.

Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by GASB Technical Bulletin 99-1, requires disclosures of certain matters regarding the year 2000 issue. The Office of State Treasurer has included such disclosures in Note 4. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter.

Accordingly, insufficient audit evidence exists to support the Office of State Treasurer's disclosures with respect to the year 2000 issue made in Note 4. Further, we do not provide assurance that the Office of State Treasurer is or will become year 2000-compliant, that the office's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Office of State Treasurer does business are or will become year 2000-compliant.

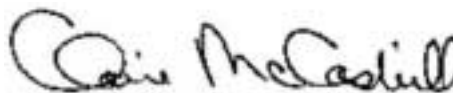
In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the special-purpose financial statements in Exhibits A through C present fairly, in all material respects, the financial position of the Central Check Mailing Service Revolving Fund as of June 30, 1998 and 1997, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the special-purpose financial statements in Exhibits D and E present fairly, in all material respects, the receipts, disbursements, and changes in cash and investments of the Abandoned Fund Account Fund and the Treasurer's Information Fund; and the appropriations and expenditures of the various funds of the Office of State Treasurer as of and for the years ended June 30, 1998 and 1997, in conformity with the comprehensive bases of accounting discussed in Note 1, which are bases of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated December 31, 1998, on our consideration of the office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the special-purpose financial statements, taken as a whole, that are referred to in the first paragraph. The accompanying financial information listed as supplementary data in the table of contents is presented for purposes of additional analysis. Such information, except for that presented in Schedule 5, has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, except for the effects, if any, of the matter discussed in the fourth paragraph, is fairly stated in all material respects in relation to the special-purpose financial statements taken as a whole. We did not audit the information presented in Schedule 5 and, accordingly, we express no opinion on it.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.



Claire McCaskill  
State Auditor

December 31, 1998 (fieldwork completion date)



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Honorable Bob Holden  
State Treasurer  
Jefferson City, MO 65102

We have audited the special-purpose financial statements of the Office of State Treasurer as of and for the year ended June 30, 1998, and have issued our report thereon dated December 31, 1998. That report expressed a qualified opinion on the special-purpose financial statements. Except as discussed in that report, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of the Office of State Treasurer are free of material misstatement, we performed tests of the office's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no material instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain other instances of noncompliance which are presented in the accompanying Management Advisory Report.

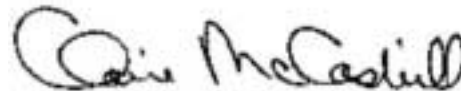
Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of the Office of State Treasurer, we considered the office's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the office's ability to

record, process, summarize, and report financial data consistent with the assertions of management in the special-purpose financial statements.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a material weakness, and this matter is presented in the accompanying Management Advisory Report.

This report is intended for the information of the management of the Office of State Treasurer and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill  
State Auditor

December 31, 1998 (fieldwork completion date)

## Financial Statements

Exhibit A

OFFICE OF STATE TREASURER  
CENTRAL CHECK MAILING SERVICE REVOLVING FUND  
COMPARATIVE BALANCE SHEET

	June 30,	
	1998	1997
<b>ASSETS</b>		
Cash and investments	\$ 23,241	32,961
Accounts receivable	26,601	24,259
Prepaid postage	9,649	5,149
Equipment	17,300	17,300
Accumulated depreciation	-6,920	-5,190
Total Assets	\$ <u>69,871</u>	<u>74,479</u>
<b>LIABILITIES AND EQUITY</b>		
Accounts payable	\$ 2,561	147
Total Liabilities	<u>2,561</u>	<u>147</u>
Equity:		
Contributed capital	50,000	50,000
Retained earnings - unreserved	17,310	24,332
Total Equity	<u>67,310</u>	<u>74,332</u>
Total Liabilities and Equity	\$ <u>69,871</u>	<u>74,479</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

OFFICE OF STATE TREASURER  
CENTRAL CHECK MAILING SERVICE REVOLVING FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS

	Year Ended June 30,	
	1998	1997
OPERATING REVENUES		
Charges for services	\$ 51,992	48,492
Total Operating Revenues	51,992	48,492
OPERATING EXPENSES		
Postage	49,093	40,583
Office supplies	8,191	6,642
Depreciation	1,730	1,730
Other	0	77
Total Operating Expenses	59,014	49,032
NET (LOSS)	-7,022	-540
RETAINED EARNINGS, JULY 1	24,332	24,872
RETAINED EARNINGS, JUNE 30	\$ 17,310	24,332

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

OFFICE OF STATE TREASURER  
CENTRAL CHECK MAILING SERVICE REVOLVING FUND  
COMPARATIVE STATEMENT OF CASH FLOWS

	Year Ended June 30,	
	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 49,650	47,553
Cash paid for operations	<u>-59,370</u>	<u>-49,426</u>
NET CASH (DECREASED) BY OPERATING ACTIVITIES	-9,720	-1,873
CASH, July 1,	<u>32,961</u>	<u>34,834</u>
CASH, June 30,	<u>\$ 23,241</u>	<u>32,961</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH (DECREASED) BY OPERATING ACTIVITIES		
Operating (loss)	\$ -7,022	-540
Adjustments to reconcile operating loss to net cash (decreased) by operating activities:		
Depreciation	1,730	1,730
Changes in assets and liabilities:		
Decrease (Increase) in accounts receivable	-2,342	-939
Decrease (Increase) in prepaid postage	-4,500	-1,966
Increase (Decrease) in accounts payable	<u>2,414</u>	<u>-158</u>
Net Cash (Decreased) by Operating Activities	<u>\$ -9,720</u>	<u>-1,873</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

OFFICE OF STATE TREASURER  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN  
CASH AND INVESTMENTS-ABANDONED FUND ACCOUNT FUND AND  
TREASURER'S INFORMATION FUND

	Year Ended June 30,			
	1998		1997	
	Abandoned Fund Account Fund	Treasurer's Information Fund	Abandoned Fund Account Fund	Treasurer's Information Fund
RECEIPTS				
Unclaimed deposits, dividends, and interest from financial institutions	\$ 16,073,254	0	21,184,632	0
Charges for services	0	3,645	0	1,309
Total Receipts	16,073,254	3,645	21,184,632	1,309
DISBURSEMENTS				
Refunds of unclaimed deposits	4,308,123	0	3,148,742	0
Expense and equipment	92,404	1,175	19,761	1,716
Total Disbursements (Note 3)	4,400,527	1,175	3,168,503	1,716
RECEIPTS OVER (UNDER) DISBURSEMENTS	11,672,727	2,470	18,016,129	-407
TRANSFERS				
Transfers from General Revenue Fund-State	972,767	0	0	0
Transfers (to) General Revenue Fund-State	-12,821,764	-535	-18,231,108	0
Net Transfers	-11,848,997	-535	-18,231,108	0
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	-176,270	1,935	-214,979	-407
CASH AND INVESTMENTS, JULY 1	851,738	746	1,066,717	1,153
CASH AND INVESTMENTS, JUNE 30	\$ 675,468	2,681	851,738	746

The accompanying Notes to the Financial Statements are an integral part of this statement.

## Exhibit E

## OFFICE OF STATE TREASURER

## COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	1998			1997		
	Appropriations	Expenditures	Lapsed Balances	Appropriations	Expenditures	Lapsed Balances
<b>GENERAL REVENUE FUND - STATE</b>						
Personal service and/or expense and equipment	\$ N/A	N/A	N/A	1,312,968	1,257,950	55,018
Expense and equipment	164,235	25,570	138,665	187,500	23,265	164,235
Personal service	1,286,864	1,119,725	167,139	N/A	N/A	N/A
Expense and equipment	709,224	503,849	205,375	N/A	N/A	N/A
Issuing duplicate checks	510,000	493,769	16,231	606,500	601,374	5,126
Services to monitor companies doing business in Northern Ireland	3,000	3,000	0	3,000	3,000	0
Unclaimed Property Section - personal service and/or expense and equipment	N/A	N/A	N/A	506,356	468,545	37,811
Outlawed checks	25,000	17,154	7,846	52,000	42,818	9,182
Lease and utility expense	2,940	2,236	704	3,900	2,316	1,584
Refunds of excess interest from the linked deposit program	4,000	3,169	831	4,000	0	4,000
Total General Revenue Fund - State	<u>2,705,263</u>	<u>2,168,472</u>	<u>536,791</u>	<u>2,676,224</u>	<u>2,399,268</u>	<u>276,956</u>
<b>TREASURER'S INFORMATION FUND</b>						
Expense and equipment	<u>8,000</u>	<u>1,304</u>	<u>6,696</u>	<u>8,000</u>	<u>2,581</u>	<u>5,419</u>
<b>CENTRAL CHECK MAILING SERVICE</b>						
<b>REVOLVING FUND</b>						
Expense and equipment	<u>75,000</u>	<u>61,785</u>	<u>13,215</u>	<u>75,000</u>	<u>49,268</u>	<u>25,732</u>
<b>HIGHWAY DEPARTMENT FUND</b>						
Personal service	<u>400,803</u>	<u>388,779</u>	<u>12,024</u>	<u>383,237</u>	<u>371,740</u>	<u>11,497</u>
<b>WORKERS' COMPENSATION - SECOND INJURY FUND</b>						
Personal service and/or expense and equipment	N/A	N/A	N/A	32,860	19,513	13,347
Personal service	31,252	18,279	12,973	N/A	N/A	N/A
Expense and equipment	3,280	1,918	1,362	N/A	N/A	N/A
Total Workers' Compensation - Second Injury Fund	<u>34,532</u>	<u>20,197</u>	<u>14,335</u>	<u>32,860</u>	<u>19,513</u>	<u>13,347</u>
<b>ABANDONED FUND ACCOUNT</b>						
Expense and equipment	129,701	77,791	51,910	129,701	107,924	21,777

Payment of claims for abandoned property	<u>4,500,000</u>	<u>4,475,992</u>	<u>24,008</u>	<u>5,000,000</u>	<u>3,245,625</u>	<u>1,754,375</u>
Total Abandoned Fund Account	<u>4,629,701</u>	<u>4,553,783</u>	<u>75,918</u>	<u>5,129,701</u>	<u>3,353,549</u>	<u>1,776,152</u>
Total All Funds	<u>\$ 7,853,299</u>	<u>7,194,320</u>	<u>658,979</u>	<u>8,305,022</u>	<u>6,195,919</u>	<u>2,109,103</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

## Supplementary Data

Schedule 1

OFFICE OF STATE TREASURER  
CENTRAL CHECK MAILING SERVICE REVOLVING FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS

	Year Ended June 30,				
	1998	1997	1996	1995	1994
OPERATING REVENUES					
Charges for services	\$ 51,992	48,492	47,722	44,124	42,061
Total Operating Revenues	<u>51,992</u>	<u>48,492</u>	<u>47,722</u>	<u>44,124</u>	<u>42,061</u>
OPERATING EXPENSES					
Postage	49,093	40,583	35,157	31,417	29,114
Office supplies	8,191	6,642	7,860	3,439	1,775
Other	0	77	3,748	4,034	2,637
Depreciation	<u>1,730</u>	<u>1,730</u>	<u>1,730</u>	<u>1,730</u>	<u>0</u>
Total Operating Expenses	<u>59,014</u>	<u>49,032</u>	<u>48,495</u>	<u>40,620</u>	<u>33,526</u>
NET INCOME (LOSS)	-7,022	-540	-773	3,504	8,535
RETAINED EARNINGS, JULY 1	<u>24,332</u>	<u>24,872</u>	<u>25,645</u>	<u>22,141</u>	<u>13,606</u>
RETAINED EARNINGS, JUNE 30	<u>\$ 17,310</u>	<u>24,332</u>	<u>24,872</u>	<u>25,645</u>	<u>22,141</u>

The accompanying Notes to the Supplementary Data are an integral part of this statement.

## Schedule 2

OFFICE OF STATE TREASURER  
COMPARATIVE STATEMENT OF EXPENDITURES (FROM APPROPRIATIONS)

	Year Ended June 30,				
	1998	1997	1996	1995	1994
Personal service	\$ 1,526,783	1,538,219	1,413,645	1,303,238	1,231,166
Travel and vehicle:					
Expense	58,687	70,914	69,869	81,904	50,358
Equipment purchase	16,582	0	0	0	18,621
Office expense	75,902	78,433	82,004	78,655	79,051
Office and communication					
equipment purchase	33,369	38,506	25,457	52,338	22,028
Communication expense	119,960	114,757	98,709	100,401	96,366
Institution and physical plant:					
Expense	4,495	4,460	6,267	13,503	5,141
Equipment purchase	4,835	6,941	870	7,049	519
Data processing expense and equipment	217,903	315,264	340,290	233,374	201,309
Professional services	100,862	108,030	76,275	82,911	78,688
Refunds	4,990,084	3,889,817	3,370,787	3,705,008	6,864,977
Other expense	44,858	30,578	40,968	18,550	17,335
Total Expenditures	\$ <u>7,194,320</u>	<u>6,195,919</u>	<u>5,525,141</u>	<u>5,676,931</u>	<u>8,665,559</u>

The accompanying Notes to the Supplementary Data are an integral part of this statement.

Schedule 3

OFFICE OF STATE TREASURER  
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS  
YEAR ENDED JUNE 30, 1998

	Balance June 30, 1997	Additions	Dispositions	Balance June 30, 1998
Equipment	\$ 656,523	68,763	-99,550	625,736
Motor vehicles	20,871	0	0	20,871
Total General Fixed Assets	\$ 677,394	68,763	-99,550	646,607

The accompanying Notes to the Supplementary Data are an integral part of this statement.

Schedule 4

OFFICE OF STATE TREASURER  
COMPARATIVE STATEMENT OF FUNDS IN CUSTODY OF STATE TREASURER

	June 30,				
	1998	1997	1996	1995	1994
<b>APPROPRIATED FUNDS</b>					
Demand Deposits:					
United Missouri Bank (Note 8)	\$ 0	0	0	0	100,156
Mercantile Bank (Note 8)	27,419,757	0	0	0	0
Central Bank (Note 8)	-168,421,915	-117,767,344	-124,164,306	-112,620,966	-120,301,972
Boatmen's National Bank (Note 8)	0	0	0	0	300,000
Collection bank accounts	4,990,343	5,797,090	7,173,967	3,689,262	12,823,032
Total Demand Deposits	-136,011,815	-111,970,254	-116,990,339	-108,931,704	-107,078,784
Time Deposits	421,840,092	424,192,952	443,560,755	373,787,703	337,038,912
U.S. government securities	3,048,280,491	2,607,059,674	2,016,995,009	1,178,679,028	1,097,117,263
Repurchase agreements	394,450,700	652,396,500	743,414,400	1,161,521,700	458,972,400
Other investments (Note 9)	10,130	10,130	10,130	10,130	18,880
Total Appropriated Funds (Schedule 5)	3,728,569,598	3,571,689,002	3,086,989,955	2,605,066,857	1,786,068,671
<b>NONAPPROPRIATED FUNDS</b>					
Demand Deposits (Note 8)	4,055	3,777	3,714	2,934	2,696
Repurchase agreements	8,420,300	8,796,800	11,733,900	11,501,700	10,968,000
Total Nonappropriated Funds (Schedule 6)	8,424,355	8,800,577	11,737,614	11,504,634	10,970,696
Total Cash and Investments (Note 7)	\$ 3,736,993,953	3,580,489,579	3,098,727,569	2,616,571,491	1,797,039,367

The accompanying Notes to the Supplementary Data are an integral part of this statement.

OFFICE OF STATE TREASURER  
COMPARATIVE STATEMENT OF "LIST OF BALANCES IN THE SEVERAL FUNDS"

(U N A U D I T E D)

	June 30,			
	1998	1997	1996	1995
General Revenue Fund	\$ 1,455,967,248	1,410,053,968	1,205,618,451	793,794,677
Budget Stabilization Fund	128,169,446	121,444,844	29,032,747	23,699,999
Cash Operating Reserve Fund	261,985,315	245,143,210	232,375,970	212,987,699
Abandoned Fund Account	675,468	851,738	1,066,717	452,920
Abandoned Mine Reclamation Fund	517,196	425,633	333,140	244,420
Academic Scholarship Fund	90,165	N/A	N/A	N/A
Adjutant General - Federal Fund	2,169,055	991,749	941,476	1,444,736
Adjutant General Revolving Fund	215,508	201,779	178,235	120,176
Administrative Trust Fund	11,817,319	10,983,478	21,362,497	7,416,600
Agriculture Bond Trustee	N/A	N/A	0	0
Agriculture Development Fund	51,443	44,116	67,518	60,390
Aid to Dependent Children - Federal Fund	23	15,475,075	6,065,010	5,752,264
Alternative Care Trust Fund	1,723,174	1,917,931	2,012,486	2,486,372
Americans With Disabilities Act Compliance Fund	3,582,022	8,569,727	21,602,968	29,486,244
Animal Care Reserve Fund	175,110	187,238	213,130	197,331
Animal Health Laboratory Fee Fund	165,882	148,995	92,643	144,467
Apple Merchandising Fund	10,790	9,542	8,579	8,093
Aquaculture Marketing Development Fund	915	0	0	0
Athletic Fund	302,470	135,081	50,081	44,242
Attorney General - Federal and Other Fund	0	3,951	65,447	11,248
Attorney General Anti-Trust Revolving Fund	763,778	539,006	118,995	39,221
Attorney General Court Costs Fund	9,456	19,782	41,763	0
Aviation Trust Fund	419,947	351,216	739,619	464,535
Bingo Proceeds for Education Fund	8,700,240	6,402,442	5,576,436	6,464,179
Blind Pension Fund	3,047,200	2,481,180	2,330,359	2,565,172
Board of Barber Examiners Fund	182,031	211,982	223,337	246,523
Board of Embalmers and Funeral Directors Fund	307,630	309,368	278,366	273,847
Board of Geologist Registration Fund	63,448	61,213	129,540	N/A
Board of Pharmacy Fund	950,972	777,259	486,568	294,586
Board of Registration for the Healing Arts Fund	5,084,207	4,699,622	4,017,063	3,539,641
Business Service Extension Team Fund	3,081,493	2,159,428	600,000	N/A
Central Check Mailing Service Revolving Fund	23,241	32,961	34,834	35,053
Champ W. Smith & Mary C. Smith Memorial Endowment Trust Fund	384,158	385,333	385,542	384,299
Chemical Emergency Preparedness Fund	814,632	924,762	1,048,873	990,381
Child Labor Enforcement Fund	538	0	400	N/A
Child Support Enforcement Fund	4,564,833	3,969,118	7,390,081	2,891,820
Children's Trust Fund	3,334,529	3,927,446	3,032,308	2,963,009
Clinical Social Workers Fund	627,000	613,039	523,639	446,850
Coal Mine Land Reclamation Fund	785,075	2,104,021	2,317,888	3,145,585
Committee of Professional Counselors Fund	412,638	334,100	243,461	174,988
Commodity Council Merchandising Fund	483,754	490,697	392,615	416,588
Community Service Commission Fund	247,624	2,602	24,169	29,655
Compulsive Gamblers Fund	231,478	163,313	251,815	N/A
Concentrated Animal Feeding Operation Indemnity Fund	25,086	N/A	N/A	N/A
Confederate Memorial Park Fund	110,773	105,136	99,680	94,443
Confederate Memorial Trust Fund - Other Investments	N/A	N/A	N/A	N/A
Conservation Commission Fund	13,330,523	20,905,807	28,472,019	31,264,136

County Aid Road Trust Fund	116	115	715	715
Crime Victims' Compensation Fund	7,689,770	7,965,771	8,365,844	7,994,852
Criminal Justice Network and Technology Revolving Fund	465,281	N/A	N/A	N/A
Criminal Record System Fund	2,553,611	2,097,509	1,448,110	477,914
Crippled Children's Service Fund	236,808	208,075	128,520	182,390
Deaf Relay Service Fund	5,535,873	4,949,677	5,490,234	2,776,883
Debt Offset Escrow Fund	1,910,225	1,660,351	1,731,965	2,459,864
Dental Board Fund	391,213	428,688	334,653	405,860
Department of Agriculture - Federal Fund	42,287	36,822	48,781	44,660
Department of Corrections - Federal Fund	1,976,299	2,766,765	29,055	587,893
Department of Economic Development - Administrative Fund	23,240	133,766	194,483	144,718
Department of Economic Development - Community Development Block Grant - Administration Fund	29,202	10,065	54,872	14,009
Department of Economic Development - Community Development Block Grant - Pass-through Fund	794,099	1,113	9,198	936
Department of Economic Development - Federal and Other Fund	28,904	12,193	53,002	50,475
Department of Economic Development - Management Information Systems - Federal and Other Fund	129	129	335,465	71,752
Department of Economic Development - Missouri Council on the Arts - Federal and Other Fund	91,691	58,450	73,894	36,128
Department of Economic Development - Women's Council - Federal Fund	13,764	9,422	15,124	25,647
Department of Health - Donated Fund	35,978	39,287	68,084	75,744
Department of Health - Federal Fund	2,486,490	3,576,866	9,718,815	4,610,517
Department of Health Document Services Fund	81,388	117,093	58,083	48,529
Department of Health Institutional Gift Trust Fund	N/A	0	85,061	90,512
Department of Higher Education - Federal Fund	501	2,971	127	5,768
Department of Insurance Dedicated Fund Fund	7,608,108	6,879,262	6,659,032	5,459,324
Department of Labor and Industrial Relations - Commission on Human Rights - Federal Fund	459,014	266,036	99,261	82,689
Department of Labor and Industrial Relations - Crime Victims -Federal Fund	5	2,363	749,412	102,372
Department of Mental Health - Federal Fund	993,752	1,024,515	1,349,322	1,942,963
Department of Natural Resources - Federal and Other Fund	6,248,204	6,754,660	6,974,194	6,715,277
Department of Natural Resources Cost Allocation Fund	376,605	505,621	512,979	162,164
Department of Natural Resources Revolving Services Fund	1,109,291	286,380	150,307	95,335
Department of Public Safety - Federal Fund	1,671,251	437,999	1,453,689	752,093
Department of Public Safety - Highway Safety Fund	225,263	103,017	226,467	85,581
Department of Revenue - Federal Fund	306,779	92,139	102,031	117,965
Department of Revenue Information Fund	1,383,199	2,071,945	1,598,327	2,376,946
Department of Social Services - Educational Improvement Fund	2,529,585	1,837,069	1,513,491	1,163,892
Department of Social Services - Federal and Other Fund	563,673	432,880	419,675	946,992
Department of Social Services Administrative Trust Fund	123,985	409,227	142,820	109,116
Department of Transportation - Federal and Other Fund	385,715	236,924	109,765	206,656
Design and Construction Donated Fund	9	70	70	70
Division of Aging - Federal and Other Fund	1,286,012	1,144,830	5,955,873	3,013,944
Division of Aging Donations Fund	1,599	1,599	1,599	1,599
Division of Aging Elderly Home Delivered Meals Trust Fund	91,089	33,760	61,795	68,989
Division of Credit Unions Fund	201,774	165,921	116,302	50,536
Division of Family Services - Administrative Fund	12,670,786	20,317,294	6,649,538	13,866,014
Division of Family Services Donations Fund	255,947	104,625	2,917	120

Division of Finance Fund	1,677,342	998,299	892,250	1,145,978
Division of Labor Standards - Federal Fund	19,115	8,175	12,433	16,697
Division of Savings and Loan Supervision Fund	66,582	40,617	58,821	95,056
Division of Tourism Supplemental Revenue Fund	2,597,750	2,343,320	2,843,504	2,022,983
Division of Workers' Compensation - Federal Fund	N/A	N/A	N/A	0
Division of Youth Services - Federal and Other Fund	356,167	613,926	772,578	927,092
Doctor Edmund A. Babler Memorial - State Park Fund	878,430	795,267	733,857	553,507
Elementary and Secondary Education - Federal and Other Fund	2,255,211	4,139,133	3,211,951	2,746,541
Endowed Care Cemetery Audit Fund	200,767	428,045	413,773	332,616
Energy Set-Aside Program Fund	19,055,453	17,325,892	9,423,886	9,387,967
Escheats Fund	5,344,864	5,682,486	5,364,777	5,838,447
Excellence in Education Fund	1,463,130	1,819,363	1,781,758	2,169,471
Facilities Maintenance Reserve Fund	4,899,661	N/A	N/A	N/A
Fair Share Fund	637,682	2,293,510	2,154,173	2,625,368
Family Support Loan Fund	136,932	147,593	68,052	5,863
Federal - Missouri Department of Insurance Fund	0	0	0	12,700
Federal and Other Fund	68,165	8,391	10,901	21,915
Federal Drug Seizure Fund	1,090,286	386,019	264,745	633,816
Federal Reimbursement Allowance Fund	34,584,196	40,308,215	45,283,826	29,905,962
Federal Surplus Property Fund	1,487,737	1,192,200	1,399,555	1,517,194
Firing Range Fee Fund	1,434	1,468	1,468	2,814
Food Stamp EBT Settlement Fund	6,111,728	451,795	N/A	N/A
Fourth State Building - Series A 1995	N/A	123,747	43,574,913	74,716,059
Fourth State Building - Series A 1996	26,307,603	95,452,316	N/A	N/A
Fourth State Building - Series A 1998	50,159,038	N/A	N/A	N/A
Fourth State Building Bond and Interest Series A 1995	6,017,509	6,019,271	5,954,016	5,736,251
Fourth State Building Bond and Interest Series A 1996	10,204,154	10,113,814	N/A	N/A
Fourth State Building Bond and Interest Series A 1998	3,637,109	N/A	N/A	N/A
Gaming Commission Bingo Fund	56,337	139,176	109,238	47,204
Gaming Commission Fund	38,885,373	55,947,319	24,958,661	9,545,638
Gaming Proceeds for Education Fund	5,608,803	4,733,872	73,442,546	55,171,203
General Revenue Reimbursements Fund	66,031,946	48,436,550	40,802,712	N/A
General Revenue Fund Cultural Subaccount	0	0	N/A	N/A
Governor's Committee on Employment of the Handicapped - Federal Fund	219,173	126,874	72,470	13,137
Grade Crossing Fund	153,707	247,547	371,760	603,775
Grade Crossing Safety Account Fund	4,135,609	3,587,201	3,148,121	2,217,571
Grain Inspection Fees Fund	738,163	769,732	596,818	796,818
Groundwater Protection Fund	205,133	213,325	258,088	226,096
Handicapped Children's Trust Fund	1,072	1,072	1,072	1,072
Hazardous Waste Fund	164,890	143,634	234,834	341,153
Hazardous Waste Remedial Fund	3,755,085	5,196,767	4,940,112	5,350,537
Health Access Incentive Fund	1,332,552	1,620,413	949,763	586,357
Health Initiatives Fund	19,664,820	22,535,056	25,593,847	20,756,719
Health Spa Regulatory Fund	66,089	61,100	55,400	49,600
Hearing Instrument Specialist Fund	63,609	63,457	22,590	N/A
Highway Patrol Academy Fund	198,531	154,670	207,110	132,389
Highway Patrol Inspection Fund	2,890,935	1,954,321	907,766	2,278,809
Highway Patrol's Motor Vehicle and Aircraft Revolving Fund	3,551,287	3,433,301	2,782,727	2,355,464
Highway Revenue Generating Fund	3,622	3,622	476	74,212
Historic Preservation Revolving Fund	249,812	280,151	332,497	544,599
House of Representatives Revolving Fund	11,975	37,472	11,469	55,123
Independent Living Center Fund	348,815	330,153	292,699	168,799
Industrial Development and Reserve Fund	1,139,768	1,236,069	2,831,069	2,970,241
Industrial/Commercial Energy Conservation Loan Fund	N/A	N/A	3,259,563	3,108,365
Inmate Incarceration Reimbursement Act Revolving Fund	128,957	74,445	17,200	N/A
Inmate Revolving Fund	1,822,335	1,664,412	634,292	551,392

Insurance Examiners Fund	499,251	704,342	507,106	578,130
International Trade Show Revolving Fund	8,122	38,040	15,220	25,015
Job Development and Training Fund	315,394	173,792	2,172,703	279,970
Landscape Architectural Council Fund	40,536	42,812	40,849	56,684
Legal Defense and Defender Fund	264,292	79,569	438,952	116,309
Light Rail Safety Fund	2,280	N/A	N/A	N/A
Livestock Brands Fund	8,713	7,657	23,062	21,849
Livestock Dealer Law Enforcement and Administration Fund	7,509	4,002	2,585	2,356
Livestock Sales and Markets Fees Fund	7,404	3,515	5,641	11,001
Local Government Energy Conservation Loan Fund	N/A	N/A	3,450,904	3,051,925
Local Records Preservation Fund	1,401,340	1,476,824	1,705,616	1,931,737
Lottery Proceeds Fund	63,830,483	45,376,115	84,826,112	105,778,605
Mammography Fund	179,496	143,851	112,984	91,778
Manufactured Housing Fund	694,029	790,420	621,983	499,604
Marketing Development Fund	242,380	193,794	153,553	122,799
MCSAP/Division of Transportation - Federal Fund	176,190	158,192	199,343	109,555
Medical School Loan and Loan Repayment Program Fund	146,446	93,735	82,508	85,328
Mental Health Central Supply Fund	1,000	624,346	424,886	428,215
Mental Health Earnings Fund	663,821	922,331	1,071,063	32,205,083
Mental Health Housing Trust Fund	4,195	4,019	N/A	N/A
Mental Health Interagency Payments Fund	799,056	426,136	3,838	154,247
Mental Health Trust Fund	3,538,840	3,975,670	4,196,537	4,124,662
Meramec-Onondaga State Parks Fund	922,947	892,816	862,498	831,302
Merchandising Practices Revolving Fund	2,286,822	2,050,751	1,741,512	1,128,664
Metallic Minerals Waste Management Fund	206,286	214,991	198,160	170,368
Microfilming Service Revolving Trust Fund	35,837	32,488	32,476	31,915
Mined Land Reclamation Fund	3,561,740	1,975,801	1,288,426	1,550,731
Missouri Air Pollution Control Fund	1,041,691	982,130	791,774	840,354
Missouri Arts Council Trust Fund	13,484,355	8,513,606	3,960,651	N/A
Missouri Board Of Occupational Therapy Fund	121,777	N/A	N/A	N/A
Missouri Breeders Fund	71,791	72,027	68,295	65,677
Missouri Capital Access Program Fund	242,500	242,500	N/A	N/A
Missouri Children's Service Commission Fund	15,125	14,425	13,679	12,931
Missouri Commission for the Deaf Board of Certification of Interpreters Fund	13,330	12,314	7,222	N/A
Missouri Community College Job Training Program Fund	0	651,542	597,886	178,415
Missouri Consolidated Health Care Plan Benefit Fund	0	0	0	0
Missouri Crime Prevention Information and Programming Fund	0	0	0	N/A
Missouri Disaster Fund	415,866	151,142	543,878	269,171
Missouri Health Care Providers Fund	70	191,692	191,226	124,199
Missouri Horse Racing Fund	0	88	88	150
Missouri Housing Trust Fund	4,031,191	3,750,405	3,628,745	2,343,493
Missouri Humanities Council Trust Fund	205,132	100,687	N/A	N/A
Missouri Job Development Fund	489,093	3,913,201	4,652,690	6,387,840
Missouri Main Street Program Fund	101,808	97,000	N/A	N/A
Missouri National Guard Training Site Fund	75,654	66,140	83,796	57,954
Missouri Office of Prosecution Services Fund	50,762	31,995	34,382	45,945
Missouri Office of Prosecution Services Revolving Fund	2,976	N/A	N/A	N/A
Missouri Prospective Teachers Loan Fund	16,194	16,039	15,679	14,649
Missouri Public Health Services Fund	886,467	527,319	810,035	578,275
Missouri Real Estate Commission Fund	2,685,005	2,693,099	1,966,173	1,819,784
Missouri Rehabilitation Center Fund	0	103	997,355	313,613
Missouri State Employees' Deferred Compensation Incentive Plan Administration Fund	0	0	0	N/A
Missouri Student Grant Program Gift Fund	2,049	1,299	1,029	310
Missouri Technology Investment Fund	567,557	1,232,185	3,992	N/A
Missouri Veterans Commission-Federal Fund	9,900	120,075	723,016	14,242

Missouri Veterans Homes Fund	1,252,111	2,595,299	2,962,377	2,845,789
Missouri Water Development Fund	571,272	24,414	562,160	0
Mortgage Broker Administration Fund	N/A	N/A	120,079	139,176
Motor Fuel Tax Fund	25,911,286	18,909,417	23,717,963	24,883,871
Motor Vehicle Commission Fund	1,676,461	1,423,650	1,264,518	1,115,825
Motorcycle Safety Trust Fund	731	4,815	2,385	N/A
Natural Resources Protection Fund	168,613	414,965	451,428	651,136
Natural Resources Protection Fund - Air Pollution Asbestos Fee Subaccount Fund	924,912	946,612	826,724	642,415
Natural Resources Protection Fund - Air Pollution Permit Fee Subaccount Fund	17,997,200	17,029,875	15,753,540	13,765,237
Natural Resources Protection Fund - Water Pollution Permit Fee Subaccount Fund	6,135,419	4,451,449	2,783,087	2,667,125
Nursing Facility Federal Reimbursement Allowance Fund	1,272,409	1,591,338	974,588	625,780
Nursing Facility Quality of Care Fund	2,914,493	2,377,970	748,102	203,012
Office of Administration - Federal and Other Fund	345,504	790,198	792,689	617,091
Office of the State Public Defender - Federal and Other Fund	18,487	21,299	27,397	21,490
Oil and Gas Remedial Fund	18,893	23,414	30,045	3,414
Optometry Fund	105,812	104,829	95,814	103,735
Organ Donor Program Fund	606,071	475,618	124,099	N/A
Outstanding Schools Trust Fund	389,313,169	363,106,043	273,601,228	196,067,202
Pansey Johnson-Travis Memorial State Gardens Trust Fund	751,620	710,291	672,423	636,028
Pansey Johnson-Travis Stocks and Securities Trust Fund	10,130	10,130	10,130	10,130
Peace Officers Standards and Training Commission Fund	912,291	410,680	536,716	310,043
Petition Audit Revolving Trust Fund	353,131	484,457	472,794	462,532
Petroleum Inspection Fund	1,651,931	1,655,792	1,425,591	1,070,922
Petroleum Violation Escrow Fund	21,367,253	22,439,696	23,083,120	20,178,878
Post Closure Fund	260,114	N/A	N/A	N/A
Professional and Practical Nursing Student Loan and Nurse Loan Repayment Fund	614,943	975,714	614,049	506,839
Professional Registration Fees Fund	31,796	167,573	52,093	76,068
Property Reuse Fund	3,127,992	3,017,322	N/A	N/A
Proprietary School Bond Fund	9,393	N/A	N/A	N/A
Prosecuting and Circuit Attorneys' Retirement Fund	N/A	N/A	N/A	N/A
Public Service Commission Fund	354,408	1,174,361	1,644,563	1,152,171
Railroad Expense Fund	158,793	57,888	66,339	78,160
Real Estate Appraisers Fund	618,109	767,043	729,081	744,893
Residential Mortgage Licensing Fund	479,056	273,850	N/A	N/A
Respiratory Care Practitioners Fund	245	N/A	N/A	N/A
Safe Drinking Water Fund	3,402,391	3,156,122	3,072,908	2,502,497
School District Bond Fund	7,132,497	7,423,244	4,328,426	N/A
School District Trust Fund	53,849,179	59,666,555	47,772,154	44,146,784
School for Blind Trust Fund	65,884	6,822	81,701	182,757
School for Deaf Trust Fund	79	79	8,992	2,555
School for the Blind - Federal Fund	N/A	N/A	N/A	N/A
School for the Deaf - Federal Fund	N/A	N/A	N/A	N/A
Second Injury Fund	6,711,407	14,804,566	36,102,131	55,126,647
Secretary of State's Investor Education Fund	112,146	139,708	15,100	N/A
Secretary of State - Federal Fund	10	49	21,189	6,605
Secretary of State Institutional Gift Trust Fund	870,516	987,644	1,048,325	1,065,325
Secretary of State's - Technology Trust Fund Account Fund	2,017,405	2,583,796	3,009,720	1,653,024
Senate Revolving Fund	20,332	114,634	18,616	42,851
Services to Victims Fund	2,747,219	1,731,619	1,059,609	1,103,246
Single-Purpose Animal Facilities Loan Program Fund	326,154	243,744	54,146	N/A

Social Security Contributions Fund	102,381	102,381	102,381	102,381
Soil and Water Sales Tax Fund	10,523,769	15,043,580	22,897,494	31,180,514
Solid Waste Management Fund	10,851,833	13,436,425	15,112,478	14,901,154
Solid Waste Management Fund - Scrap Tire Subaccount	5,155,939	4,518,296	4,099,458	3,804,077
Special Employment Security Fund	3,731,339	3,786,005	4,169,157	3,614,534
State Agency for Surplus Property Fund	321,233	195,480	132,795	397,624
State Auditor - Federal Fund	865,477	921,203	1,078,176	1,066,583
State Board of Accountancy Fund	1,339,404	1,562,364	1,384,584	1,203,315
State Board of Architects, Engineers and Land Surveyors Fund	383,545	924,704	787,419	1,063,173
State Board of Chiropractic Examiners' Fund	181,318	214,353	246,054	227,353
State Board of Cosmetology Fund	2,218,640	1,405,102	2,129,670	1,389,170
State Board of Nursing Fund	1,296,919	2,337,798	1,029,020	1,215,572
State Board of Podiatry Fund	65,671	64,801	50,521	47,381
State Committee of Psychologists Fund	695,212	623,527	513,730	418,570
State Court Administration Revolving Fund	81	N/A	N/A	N/A
State Document Preservation Fund	10,838	20,053	N/A	N/A
State Elections Subsidy Fund	83,051	61,361	50,875	43,260
State Emergency Management - Federal and Other Fund	1,786,598	1,358,601	802,082	865,907
State Employee Voluntary Life Insurance Fund	89,781	N/A	N/A	N/A
State Environmental Improvement and Energy Resources Authority Fund	0	93	1,503	1,513
State Facility Maintenance and Operation Fund	2,149,404	2,250,265	N/A	N/A
State Fair Fees Fund	69,300	83,206	46,348	206,082
State Fair Trust Fund	333	830	1,278	1,140
State Forensic Laboratory Fund	162,686	136,759	59,184	120,750
State Guaranty Student Loan Fund	52,030,992	46,965,298	45,796,896	43,516,650
State Highways and Transportation Department Fund	6,054,885	7,357,079	6,118,206	3,399,657
State Institutions Gift Trust Fund	5,426	4,729	N/A	N/A
State Land Survey Program Fund	1,294,985	1,209,611	1,108,318	1,153,895
State Legal Expense Fund	101,299	85,429	359,402	429,119
State Lottery Fund	17,443,077	13,774,482	18,467,915	19,165,345
State Milk Inspection Fee Fund	201,488	209,865	237,257	272,667
State Park Sales Tax Fund	18,412,335	18,962,227	19,086,435	18,448,568
State Parks Earnings Fund	11,173,450	13,237,388	12,669,849	11,306,381
State Parks Revolving Fund	30,326	132,730	15,083	7,996
State Public School Fund	513,785	57,987	504,906	2,128
State Retirement Contributions Fund	0	0	0	106,868
State Road Fund	99,589,802	72,188,172	88,587,713	135,082,853
State School Moneys Fund	30,586,747	80,883,191	18,198,789	20,138,222
State Schools Textbook Fund	N/A	N/A	3,870	8,122
State Seminary Fund	787	213	0	5,970
State Seminary Moneys Fund	0	0	0	0
State Transportation Assistance Revolving Fund	75,218	N/A	N/A	N/A
State Transportation Fund	760,407	1,880,385	434,686	934,636
Statewide Court Automation Fund	2,255,074	2,819,870	3,636,132	2,275,726
Statutory Revision Fund	259,623	472,753	455,349	849,284
Student Grant Fund	233,781	N/A	N/A	N/A
Supreme Court - Federal and Other Fund	1,957,441	2,365,122	2,071,355	1,207,230
Supreme Court Publications Revolving Fund	55,495	164,475	107,458	77,956
Temporary Assistance for Needy Families - Federal Fund	9,207,324	N/A	N/A	N/A
Third State Building Bond Interest and Sinking - Post Tax Act 1986	N/A	N/A	N/A	N/A
Third State Building Bond Interest and Sinking - Pre Tax Act 1986	0	8,346,665	19,057,093	19,034,787
Third State Building Bond Interest and Sinking - Series A 1992	28,938,855	26,202,771	16,227,273	16,230,411
Third State Building Bond Interest and Sinking -				

Series A 1993	17,180,207	9,247,568	9,171,988	9,196,722
Third State Building Bond Interest and Sinking -				
Series A&B 1991	9,068,155	8,952,861	8,960,669	8,939,204
Third State Building - Pre Tax Act 1986	926,596	1,527,368	2,827,434	4,525,613
Third State Building Trust Fund	N/A	N/A	N/A	N/A
Third State Building Trust Fund - Pre Tax Act 1986	335,363	1,004,688	1,546,361	1,765,619
Title XIX - Federal Fund	7,136,851	17,044,258	5,133,396	11,631,653
Title XIX - Patient Placement Fund	3,319,385	3,864,811	1,454,105	3,063,798
Tort Victims' Compensation Fund	4,873,135	56,830	40,141	30,576
Tourism Marketing Fund	966	503	1,543	1,318
Treasurer's Information Fund	2,681	746	15,065	457
Uncompensated Care Fund	14,739,134	12,621,465	15,439,026	6,179,212
Underground Storage Tank Insurance Fund	55,019,305	45,568,063	32,947,845	30,747,232
Underground Storage Tank Regulation Program Fund	455,758	37,428	178,221	354,060
Unemployment Compensation Administration Fund	1,126,469	1,026,091	1,298,863	884,746
Veterans' Homes Capital Improvement Fund	N/A	0	2,581,749	2,445,658
Veterans' Homes Capital Improvement Trust Fund	58,083,977	4,939,437	5,414,434	0
Veterans' Trust Fund	380,257	348,061	324,970	297,794
Veterinary Medical Board Fund	583,004	564,802	468,773	375,453
Video Instructional Development and Education				
Opportunity Fund	1,984,912	2,225,407	1,865,336	3,500,172
Vocational Rehabilitation - Federal Fund	683,865	81,094	1,792,044	1,090,698
Water and Waste Water Loan Fund	1,178,862	541,002	455,804	355,093
Water and Waste Water Loan Revolving Fund	144,832,782	132,167,436	89,565,959	84,251,584
Water Pollution Control - Series A 1992 - 37C	N/A	N/A	N/A	N/A
Water Pollution Control - Series A 1992 - 37E	N/A	N/A	N/A	N/A
Water Pollution Control - Series A 1993 - 37C	N/A	0	1,546,353	4,956,449
Water Pollution Control - Series A 1993 - 37E	N/A	N/A	N/A	1,109,595
Water Pollution Control - Series A 1995 - 37C	N/A	0	5,279,419	5,036,547
Water Pollution Control - Series A 1995 - 37E	N/A	0	9,334,815	25,315,114
Water Pollution Control - Series A 1996 - 37C	7,485,335	10,246,584	N/A	N/A
Water Pollution Control - Series A 1996 - 37E	9,555,983	18,843,900	N/A	N/A
Water Pollution Control - Series A 1998 - 37C	7,529,154	N/A	N/A	N/A
Water Pollution Control - Series A 1998 - 37E	27,582,241	N/A	N/A	N/A
Water Pollution Control - Series B 1987	N/A	N/A	N/A	N/A
Water Pollution Control Bond and Interest - Pre Tax Act 1986	664,322	3,208,841	8,999,496	9,047,857
Water Pollution Control Bond and Interest - Series A 1989	1,122,958	1,135,853	1,136,875	1,149,186
Water Pollution Control Bond and Interest - Series A 1991	1,103,703	1,122,456	1,128,281	1,147,318
Water Pollution Control Bond and Interest - Series A 1992	2,719,053	2,747,870	2,743,716	2,771,140
Water Pollution Control Bond and Interest - Series A 1993	2,198,539	2,225,274	2,225,889	2,253,654
Water Pollution Control Bond and Interest - Series A 1995	2,406,415	2,408,933	2,381,787	2,323,451
Water Pollution Control Bond and Interest - Series A 1996	2,855,101	2,832,868	N/A	N/A
Water Pollution Control Bond and Interest - Series A 1998	2,545,962	N/A	N/A	N/A
Water Pollution Control Bond and Interest - Series B 1992	5,200,576	5,191,531	3,132,043	3,109,733
Water Pollution Control Bond and Interest - Series B 1993	8,871,613	6,571,647	6,516,815	6,537,722
Water Pollution Control Bond and Interest - Series B&C 1991	4,276,394	4,270,724	4,329,326	4,271,504
Wolfner Library Trust Fund	530,671	540,945	532,886	523,467
Workers' Compensation Fund	12,036,207	11,976,492	12,416,417	23,108,162
Working Capital Revolving Fund	13,972,594	9,548,151	7,908,042	4,487,925
Youth Services and Conservation Corps Fund	0	121,054	52,077	27,398
Total All Funds (Schedule 4)	\$ 3,728,569,598	3,571,689,002	3,086,989,955	2,605,066,857

N/A These funds were closed, or had not been created for the years indicated.

The accompanying Notes to the Supplementary Data are an integral part of this statement.

OFFICE OF STATE TREASURER  
COMPARATIVE STATEMENT OF TRUST ACCOUNTS

	June 30,											
	1998		1997		1996		1995		1994		1993	
	Balance	Amount Invested	Balance	Amount Invested	Balance	Amount Invested	Balance	Amount Invested	Balance	Amount Invested	Balance	Amount Invested
Capitol East Parking Facility												
Bond Reserve Fund	\$ N/A	N/A	N/A	N/A	N/A	N/A	40,704	40,704	129,299	129,293	129,141	129,121
Depreciation and Replacement Fund	N/A	N/A	264,045	264,045	264,544	264,544	263,745	263,744	220,662	220,653	163,417	163,391
Enterprise Fund	N/A	N/A	N/A	N/A	16,986	16,986	12,088	12,088	39,752	39,751	36,614	36,608
Principal and Interest Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	24,074	24,073	23,881	23,877
Operating Reserve Fund	195,832	195,830	211,389	211,389	211,621	211,621	211,072	211,072	206,806	206,797	163,417	163,391
Corrections and Mental Health												
Construction Fund	123,111	123,109	116,659	116,659	159,001	159,001	179,874	179,874	213,655	213,645	541,852	541,765
Enterprise Fund	N/A	N/A	N/A	N/A	764,052	764,051	94,462	94,462	118,362	118,357	107,732	107,715
Government Repurchase Agreement Trust Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50,614,773	50,614,700
Kansas City State Office Building												
Enterprise Fund	N/A	N/A	N/A	N/A	385,772	385,772	314,489	314,489	229,048	229,037	261,591	261,549
Midtown State Office Building												
Enterprise Fund	N/A	N/A	N/A	N/A	125,498	125,498	138,805	138,805	122,383	122,377	200,536	200,504
Old Age, Survivors, Disability, and Health Insurance Trust Fund	3,982	0	3,764	0	3,707	0	2,917	0	2,183	0	217,582	0
Special Obligation Refunding Bond -												
Principal and Interest Fund	383,663	383,659	364,649	364,648	427,938	427,938	375,397	375,396	236,047	236,036	279,600	279,555
Depreciation and Replacement Fund	7,406,769	7,406,705	7,393,260	7,393,249	7,405,538	7,405,533	7,387,529	7,387,519	7,240,708	7,240,370	7,230,696	7,229,538
Bond Reserve Fund	105,988	105,987	108,576	108,576	105,793	105,793	105,536	105,536	103,439	103,434	103,309	103,293
Enterprise Fund	N/A	N/A	N/A	N/A	N/A	N/A	3,462	3,462	1,281	1,281	4,366	4,365
Springfield State Office Building												
Enterprise Fund	344	344	7,902	7,901	107,830	107,829	205,591	205,591	139,506	139,499	107,475	107,457
State Building Special Obligation Bond 1988												
Arbitrage Rebate Escrow Fund	114,173	114,172	107,931	107,931	102,151	102,151	95,968	95,968	90,947	90,943	87,932	87,918
Arbitrage Owed to IRS Escrow Fund	7,232	7,233	6,838	6,838	6,476	6,476	6,123	6,123	67,158	67,154	64,932	64,922
State Information Center Construction Fund	83,261	83,261	215,564	215,564	222,985	222,985	232,069	232,068	223,941	223,930	353,524	353,467
State Information Center Enterprise Fund	N/A	N/A	N/A	N/A	319,082	319,082	265,578	265,577	120,488	120,482	217,209	217,175
St. Joseph State Office Building												
Enterprise Fund	N/A	N/A	N/A	N/A	202,317	202,317	177,332	177,332	50,793	50,791	81,382	81,369
State Park Board Revenue Bond Fund	N/A	N/A	N/A	N/A	N/A	N/A	793,569	793,568	752,861	752,825	1,231,903	1,231,706
Truman State Office Building												
Construction Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,347	2,346	53,723	53,714
Enterprise Fund	N/A	N/A	N/A	N/A	809,326	809,326	455,407	455,406	502,197	502,173	577,921	577,829
Wainwright State Office Building												
Enterprise Fund	N/A	N/A	N/A	N/A	96,997	96,997	142,917	142,916	132,759	132,753	210,805	210,771
Total Trust Accounts (Schedule 4)	\$ <u>8,424,355</u>	<u>8,420,300</u>	<u>8,800,577</u>	<u>8,796,800</u>	<u>11,737,614</u>	<u>11,733,900</u>	<u>11,504,634</u>	<u>11,501,700</u>	<u>10,970,696</u>	<u>10,968,000</u>	<u>63,065,313</u>	<u>62,845,700</u>

N/A These accounts were closed for the indicated fiscal years.

The accompanying Notes to the Supplementary Data are an integral part of this statement.

## Schedule 7

OFFICE OF STATE TREASURER  
COMPARATIVE STATEMENT OF INTEREST RECEIVED ON INVESTMENTS  
AND DISTRIBUTION BY FUND

	Year Ended June 30,				
	1998	1997	1996	1995	1994
<b>INTEREST RECEIPTS</b>					
General and special funds	\$ 183,708,819	161,789,785	134,781,598	93,755,598	46,967,414
Debt retirement funds	5,434,788	5,428,457	4,620,803	4,372,437	2,848,411
Total Appropriated Funds	189,143,607	167,218,242	139,402,401	98,128,035	49,815,825
Trust funds	839,914	833,897	1,497,860	1,352,731	2,358,443
Total Interest Receipts (Note 10)	\$ 189,983,521	168,052,139	140,900,261	99,480,766	52,174,268
<b>INTEREST DISTRIBUTION (Note 10)</b>					
General and special funds:					
General Revenue Fund	\$ 94,091,911	81,130,143	64,887,135	39,726,542	19,715,025
Budget Stabilization Fund	6,823,161	5,022,803	1,467,772	1,858,128	804,200
Cash Operating Reserve Fund	13,953,430	12,716,720	12,166,856	10,624,657	6,677,063
Abandoned Mine Reclamation Fund	26,361	20,743	16,756	11,431	4,543
Alternative Care Trust Fund	112,992	114,643	133,079	109,633	72,035
Animal Health Laboratory Fee Fund	8,071	5,024	3,052	6,284	128
Aviation Trust Fund	23,194	31,582	33,081	23,596	24,012
Bingo Proceeds for Education Fund	376,030	301,401	283,433	257,838	44,510
Champ W. Smith & Mary C. Smith Memorial Endowment Trust Fund	21,062	20,330	20,537	19,267	12,626
Chemical Emergency Preparedness Fund	37,867	44,551	44,926	35,480	17,169
Children's Trust Fund	190,859	163,947	157,864	127,296	98,572
Coal Mine Land Reclamation Fund	85,440	125,046	161,400	154,931	94,577
Concentrated Animal Feeding Operation Indemnity Fund	208	N/A	N/A	N/A	N/A
Confederate Memorial Park Fund	5,940	5,455	5,237	4,467	2,756
Conservation Commission Fund	860,371	1,480,048	1,628,195	1,484,082	775,102
Crime Victims' Compensation Fund	440,785	479,970	437,092	333,110	180,175
Deaf Relay Service Fund	302,946	236,182	190,175	127,981	49,809
Debt Offset Escrow Fund	48,992	47,867	62,499	41,296	21,463
Department of Insurance Dedicated Fund	445,085	399,110	354,531	291,657	184,731
Division of Credit Unions Fund	19,621	15,532	13,846	10,735	7,912
Division of Finance Fund	155,071	127,405	136,157	110,193	75,364
Division of Savings and Loan Supervision Fund	3,263	3,129	5,551	10,378	3,359
Doctor Edmund A. Babler Memorial State Park Fund	48,822	42,687	36,509	29,305	15,767
Endowed Care Cemetery Audit Fund	24,190	22,695	20,161	13,071	6,827
Energy Set-Aside Program Fund	1,004,715	613,123	532,682	527,969	336,980
Escheats Fund	306,688	296,100	305,186	284,205	182,781
Excellence in Education Fund	99,990	100,955	124,138	124,966	62,756
Facilities Maintenance Reserve Fund	95,631	N/A	N/A	N/A	N/A
Federal Drug Seizure Fund	39,778	21,240	19,315	N/A	N/A
Federal Reimbursement Allowance Fund	2,033,464	2,990,570	2,230,819	1,100,070	555,842
Federal Surplus Property Fund	77,499	71,862	82,744	75,915	45,775
Fourth State Building - Series A 1995	N/A	1,391,386	3,211,685	655,002	N/A
Fourth State Building - Series A 1996	4,050,880	4,803,635	N/A	N/A	N/A
Fourth State Building - Series A 1998	237	N/A	N/A	N/A	N/A
Gaming Commission Bingo Fund	9,319	6,440	4,954	3,167	N/A
Gaming Commission Fund	2,498,117	1,717,827	895,114	258,706	30,567
Gaming Proceeds for Education Fund	469,961	1,776,184	3,875,971	862,973	169
Grain Inspection Fees Fund	43,886	36,551	40,352	53,013	48,841
Hazardous Waste Fund	9,069	9,027	12,526	19,977	19,725
Hazardous Waste Remedial Fund	270,730	268,879	275,041	270,845	194,556
Historic Preservation Revolving Fund	15,962	16,592	13,923	N/A	N/A
Industrial/Commercial Energy Conservation Loan Fund	N/A	136,145	172,477	159,917	104,432
Legal Defense and Defender Fund	7,790	13,694	13,526	7,507	4,940
Livestock Dealer Law Enforcement and Administration Fund	343	246	130	204	249
Local Government Energy Conservation Loan Fund	N/A	143,099	176,704	173,516	109,413
Mental Health Earnings Fund	60,126	236,692	1,174,109	687,061	1,378
Mental Health Housing Trust Fund	176	19	N/A	N/A	N/A
Mental Health Trust Fund	207,383	217,976	211,252	178,305	106,393
Meramec-Onondaga State Parks Fund	50,259	46,948	45,997	41,835	27,374
Metallic Minerals Waste Management Fund	11,608	10,642	9,579	7,209	2,083
Mined Land Reclamation Fund	157,130	68,159	78,990	90,584	55,635
Missouri Air Pollution Control Fund	53,451	44,671	34,653	42,585	36,274
Missouri Arts Council Trust Fund	646,287	360,162	40,758	N/A	N/A
Missouri Breeders Fund	3,976	3,732	3,619	3,321	2,181
Missouri Children's Service Commission Fund	858	746	722	577	243
Missouri Horse Racing Fund	N/A	0	88	104	46
Missouri Housing Trust Fund	158,958	131,669	135,476	32,966	N/A

Missouri Humanities Council Trust Fund	10,445	6,687	N/A	N/A	N/A	
Missouri Veterans Homes Fund	170,644	192,155		188,418	135,173	100,413
Motor Fuel Tax Fund	3,536,397	0	N/A	N/A	N/A	
Natural Resources Protection Fund	21,753	30,124		35,621	27,800	7,466
Natural Resources Protection Fund - Air Pollution Asbestos Fee Subaccount	53,928	46,205		38,920	27,972	12,672
Natural Resources Protection Fund - Air Pollution Permit Fee Subaccount	896,414	800,008		728,310	546,156	217,643
Natural Resources Protection Fund - Water Pollution Permit Fee Subaccount	278,843	198,261		155,430	132,151	74,615
Nursing Facility Quality of Care Fund	135,845	83,198		33,464	2,872	N/A
Outstanding Schools Trust Fund	18,753,652	14,204,300		10,068,818	5,080,844	509,745
Pansey Johnson-Travis Memorial State Gardens Trust Fund	40,209	36,818		35,405	31,656	19,348
Peace Officers Standards and Training Commission Fund	25,035	22,570		20,097	6,596	N/A
Petroleum Inspection Fund	97,190	83,740		68,667	39,874	13,921
Petroleum Violation Escrow Fund	1,255,124	1,227,621		1,160,240	1,114,858	816,144
Post-Closure Fund	45,676	N/A		N/A	N/A	N/A
Property Reuse Fund	181,324	107,322	N/A	N/A	N/A	N/A
Prosecuting and Circuit Attorneys' Retirement Fund	N/A	N/A		N/A	4,139	57,411
Residential Mortgage Licensing Fund	16,669	1,538	N/A	N/A	N/A	N/A
Safe Drinking Water Fund	191,367	174,745		155,709	111,564	53,018
School District Trust Fund	2,484,889	2,236,969		2,187,374	1,976,800	1,203,674
Second Injury Fund	651,105	1,653,827		2,694,486	3,390,390	1,991,083
Secretary of State Institutional Gift Trust Fund	53,653	55,081		58,510	58,105	37,896
Secretary of State's - Technology Trust Fund Account	113,276	118,030		117,846	21,789	N/A
Single-Purpose Animal Facilities Loan Program Fund	14,154	5,271		183	N/A	N/A
Soil and Water Sales Tax Fund	717,272	1,184,943		1,604,840	1,802,626	1,363,860
State Document Preservation Fund	1,089	38	N/A	N/A	N/A	N/A
State Guaranty Student Loan Fund	2,646,123	2,436,421		2,440,750	2,232,944	1,269,591
State Highways and Transportation Department Fund	862,693	543,604	N/A	N/A	N/A	N/A
State Lottery Fund	845,562	963,241		1,040,481	887,285	634,311
State Parks Sales Tax Fund	1,046,845	1,076,417		1,044,960	845,548	473,391
State Road Fund	4,628,340	5,076,291		5,979,859	5,367,610	2,461,396
State Transportation Assistance Revolving Fund	212	N/A		N/A	N/A	N/A
Third State Building Fund - Pre Tax Act 1986	120,177	199,935		301,821	395,324	426,635
Underground Storage Tank Insurance Fund	2,706,826	1,997,607		1,714,704	1,541,318	895,308
Veterans' Homes Capital Improvement Fund	N/A	47,801		136,090	117,004	8,786
Veterans' Homes Capital Improvement Trust Fund	1,391,613	275,570		68,831	0	N/A
Veterans' Trust Fund	19,191	17,038		15,993	13,711	7,862
Water and Waste Water Loan Fund	56,048	62,319		46,293	37,301	24,669
Water and Waste Water Loan Revolving Fund	7,187,534	6,161,659		4,136,840	4,259,194	1,381,627
Water Pollution Control - Series A 1992 - 37C	N/A	N/A		N/A	N/A	55,172
Water Pollution Control - Series A 1992 - 37E	N/A	N/A		N/A	N/A	63,887
Water Pollution Control - Series A 1993 - 37C	N/A	34,581		162,446	373,031	405,349
Water Pollution Control - Series A 1993 - 37E	N/A	N/A		15,445	362,961	432,040
Water Pollution Control - Series A 1995 - 37C	N/A	112,250		242,872	43,756	N/A
Water Pollution Control - Series A 1995 - 37E	N/A	313,244		1,004,170	218,860	N/A
Water Pollution Control - Series A 1996 - 37C	484,911	502,103	N/A	N/A	N/A	N/A
Water Pollution Control - Series A 1996 - 37E	880,504	844,571	N/A	N/A	N/A	N/A
Water Pollution Control - Series A 1998 - 37C	36	N/A		N/A	N/A	N/A
Water Pollution Control - Series A 1998 - 37E	130	N/A		N/A	N/A	N/A
Wolfner Library Trust Fund	18,088	N/A		N/A	N/A	N/A
Workers' Compensation Fund	578,090	563,698		1,089,331	1,474,529	1,132,123
Total General and Special Funds	183,708,819	161,789,785		134,781,598	93,755,598	46,967,414
Debt retirement funds:						
Fourth State Building Bond and Interest - Series A 1995	311,714	322,451		273,396	45,231	N/A
Fourth State Building Bond and Interest - Series A 1996	526,591	372,751	N/A	N/A	N/A	N/A
Fourth State Building Bond and Interest - Series A 1998	9	N/A		N/A	N/A	N/A
Third State Building Bond Interest and Sinking - Post Tax Act 1986	N/A	N/A		N/A	33,485	58,942
Third State Building Bond Interest and Sinking - Pre Tax Act 1986	8,298	646,518		1,033,963	971,377	725,928

Third State Building Bond Interest and Sinking - Series A&B 1991	674,779	483,718	489,089	414,162	260,488
Third State Building Bond Interest and Sinking - Series A 1992	1,456,912	1,254,351	762,647	824,491	508,502
Third State Building Bond Interest and Sinking - Series A 1993	756,003	496,347	432,507	468,106	257,047
Water Pollution Control Bond and Interest - Pre Tax Act 1986	125,400	395,046	484,563	487,568	361,698
Water Pollution Control Bond and Interest - Series A 1989	59,432	62,204	54,675	59,018	48,756
Water Pollution Control Bond and Interest - Series A 1991	58,239	61,186	54,011	59,038	43,642
Water Pollution Control Bond and Interest - Series A 1992	141,689	148,120	129,903	141,453	88,154
Water Pollution Control Bond and Interest - Series A 1993	114,512	120,046	105,473	115,424	63,698
Water Pollution Control Bond and Interest - Series A 1995	124,739	128,950	111,403	49,068	N/A
Water Pollution Control Bond and Interest - Series A 1996	147,390	104,408	N/A	N/A	N/A
Water Pollution Control Bond and Interest - Series A 1998	6	N/A	N/A	N/A	N/A
Water Pollution Control Bond and Interest - Series B 1987	N/A	N/A	N/A	15,586	27,444
Water Pollution Control Bond and Interest - Series B 1992	270,072	247,412	147,111	157,927	96,671
Water Pollution Control Bond and Interest - Series B 1993	420,455	352,439	307,088	332,589	182,654
Water Pollution Control Bond and Interest - Series B&C 1991	238,548	232,510	234,974	197,914	124,787
Total Debt Retirement Funds	5,434,788	5,428,457	4,620,803	4,372,437	2,848,411
Total Appropriated Funds	189,143,607	167,218,242	139,402,401	98,128,035	49,815,825
Trust funds:					
Capitol East Parking Facility Bond Reserve Fund	N/A	N/A	739	5,962	4,299
Capitol East Parking Facility Depreciation and Replacement Fund	9,192	14,045	14,545	13,745	7,246
Capitol East Parking Facility Enterprise Fund	N/A	N/A	1,499	2,448	1,794
Capitol East Parking Facility Principal and Interest Fund	N/A	N/A	N/A	34,742	24,074
Capitol East Parking Facility Operating Reserve Fund	11,640	11,389	11,621	11,072	6,806
Corrections and Mental Health Construction Fund	6,739	6,703	9,715	9,872	11,013
Corrections and Mental Health Enterprise Fund	N/A	5,252	148,198	84,063	47,380
Government Repurchase Agreement Trust Fund	N/A	N/A	N/A	N/A	1,517,515
Kansas City State Office Building Enterprise Fund	N/A	2,578	60,083	56,655	31,979
Midtown State Office Building Construction Fund	N/A	N/A	N/A	N/A	N/A
Midtown State Office Building Enterprise Fund	N/A	537	35,293	31,188	18,394
Special Obligation Refunding Bond - Bond Reserve Fund	5,988	8,576	5,793	5,536	3,439
Special Obligation Refunding Bond - Depreciation and Replacement Fund	406,769	393,260	405,538	387,529	240,708
Special Obligation Refunding Bond - Enterprise Fund	N/A	N/A	17	3,462	1,281
Special Obligation Refunding Bond - Principal and Interest Fund	383,663	364,649	422,938	375,397	236,045
Springfield State Office Building Enterprise Fund	N/A	497	37,077	31,322	18,005
State Building Special Obligation Bond 1988					
Arbitrage Rebate Escrow Fund	6,242	5,781	6,183	5,021	3,015
Arbitrage Owed to IRS Escrow Fund	395	362	353	2,033	2,226
State Information Center Construction Fund	9,286	12,296	12,621	12,311	8,268
State Information Center Enterprise Fund	N/A	1,658	48,020	39,805	24,045
State Park Board Revenue Bond Fund	N/A	N/A	52,646	48,939	38,634
::					
St. Joseph State Office Building Enterprise Fund	N/A	1,292	24,384	18,843	9,197
Truman State Office Building Construction Fund	N/A	N/A	N/A	71	407
Truman State Office Building Enterprise Fund	N/A	4,462	146,472	124,573	75,622
Wainwright State Office Building Enterprise Fund	N/A	560	54,125	48,142	27,051
Total Trust Funds	839,914	833,897	1,497,860	1,352,731	2,358,443
Total Distribution	\$ 189,983,521	168,052,139	140,900,261	99,480,766	52,174,268

N/.These funds did not receive interest for the years indicated due to the fund not being established at the time, or due to the lack of legislation that would require the interest to remain in the fund.

The accompanying Notes to the Supplementary Data are an integral part of this statement.

OFFICE OF STATE TREASURER  
ANALYSIS OF INVESTMENTS  
APPROPRIATED FUNDS

Year Ended June 30,												
1998		1997		1996		1995		1994		1993		
Average		Average		Average		Average		Average		Average		
Daily	Investment	Daily	Investment	Daily	Investment	Daily	Investment	Daily	Investment	Daily	Investment	
Balances	Earnings	Balances	Earnings	Balances	Earnings	Balances	Earnings	Balances	Earnings	Balances	Earnings	
INVESTMENTS (Note 10)												
Time deposits	\$ 435,724,377	20,775,864	432,685,370	20,962,339	421,520,562	19,029,812	338,681,327	10,361,554	384,643,554	11,044,383	510,195,434	16,202,938
U.S. government securities and repurchase agreements	3,105,448,004	168,367,743	2,865,324,055	146,255,903	2,339,245,207	120,372,589	1,710,288,163	87,766,482	1,184,573,107	38,771,442	767,691,997	27,092,444
Other investments (Note 9)	10,130	1,120	10,130	1,050	10,130	990	15,909	-1,116	85,630	7,400	253,880	10,362
Total Invested Balance	\$ 3,541,182,511	189,144,727	3,298,019,555	167,219,292	2,760,775,899	139,403,391	2,048,985,399	98,126,920	1,569,302,291	49,823,225	1,278,141,311	43,305,744
Total fund balance excluding collection, concentration, and restricted balance accounts	\$ 3,416,907,704		3,197,423,958		2,667,586,324		1,952,852,304		1,478,715,939		1,195,015,921	
Collection and concentration accounts	6,268,682		6,202,391		5,765,087		6,087,033		9,458,876		8,479,204	
Restricted balance accounts	16,104,141		13,947,824		15,101,093		17,887,984		30,150,959		34,486,411	
Total Fund Balance Including Collection, Concentration, and Restricted Balance Accounts	\$ 3,439,280,527		3,217,574,173		2,688,452,504		1,976,827,321		1,518,325,774		1,237,981,536	
PERCENTAGE OF FUND BALANCE IN INVESTMENTS												
Excluding collection, concentration, and restricted balance accounts	103.64%		103.15%		103.49%		104.92%		106.13%		106.96%	
Including collection, concentration, and restricted balance accounts	102.96%		102.50%		102.69%		103.65%		103.36%		103.24%	
INVESTMENT YIELD												
Time deposits		4.77%		4.84%		4.51%		3.06%		2.87%		3.18%
U.S. government securities and repurchase agreements		5.42%		5.10%		5.15%		5.13%		3.27%		3.53%
Other investments		11.06%		10.37%		9.77%		-7.01%		8.64%		4.08%
Average investment yield (Note 11)		5.34%		5.07%		5.05%		4.79%		3.17%		3.39%

Notes to the Financial Statements  
and Supplementary Data

OFFICE OF STATE TREASURER  
NOTES TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Notes to the Financial Statements:

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present only selected data for each fund of the Office of State Treasurer.

The Central Check Mailing Service Revolving Fund, presented in Exhibits A through C, is a separate accounting entity, recording all assets, liabilities, equities, revenues, and expenses related to the fund's activities.

Expenses presented for the fund or any program may not reflect the total cost of the related activity. Other direct and indirect costs provided by the office and other state agencies are not allocated to the fund or applicable program.

Receipts, disbursements, and changes in cash and investments are presented in Exhibit D for the Abandoned Fund Account Fund and the Treasurer's Information Fund. Appropriations from these funds are expended by or for the office for restricted purposes.

Appropriations, presented in Exhibit E, are not separate accounting entities. They do not record the assets, liabilities, and equities of the related funds but are used only to account for and control the office's expenditures from amounts appropriated by the General Assembly.

Expenditures presented for each appropriation may not reflect the total cost of the related activity. Other direct and indirect costs provided by the office and other state agencies are not allocated to the applicable fund or program.

B. Basis of Accounting

The financial statements for the Central Check Mailing Service Revolving Fund, Exhibits A through C, are prepared in conformity with generally accepted accounting principles. The statements are presented on the accrual basis of accounting which recognizes revenues when earned and expenses when the related liabilities are incurred.

Fixed assets (equipment) of the Central Check Mailing Service Revolving Fund are recorded at cost and depreciated on a straight-line basis with a useful life of ten years and no salvage value.

The Statement of Receipts, Disbursements, and Changes in Cash and Investments, Exhibit D, prepared on the cash basis of accounting, presents amounts when they are received or disbursed.

The Statement of Appropriations and Expenditures, Exhibit E, is presented on the state's legal budgetary basis of accounting which recognizes expenditures on the encumbrance method. Expenditures include amounts payable or encumbered at June 30 and paid during the lapse period, which ends August 31 for regular appropriations and December 31 for capital improvement appropriations. The authority to expend appropriations ends with the close of the lapse period. However, the General Assembly may authorize reappropriation of the unexpended balances of capital improvement appropriations for the following year. The General Assembly also may authorize biennial capital improvement appropriations, for which the unexpended balances at June 30 of the first year of the two-year period are reappropriated for expenditure during the second year.

The cash basis of accounting and the budgetary basis of accounting differ from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

#### C. Fiscal Authority and Responsibility

The office administers transactions in the funds listed below. The state treasurer as fund custodian and the Office of Administration provide administrative control over fund resources within the authority prescribed by the General Assembly.

Central Check Mailing Service Revolving Fund: The office receives appropriations from this fund and maintains a proprietary interest in the fund. The State Treasurer is administrator and custodian of the fund and receives funds paid or transferred to the office by state agencies for centralized check mailing services. The initial funding for this fund was provided by a transfer of \$50,000 from the General Revenue Fund - State on October 23, 1978. Appropriations from the fund are used for check mailing service expenses.

Abandoned Fund Account Fund: This fund receives monies from banking or financial institutions, business associations, insurance corporations, utilities, courts and other governmental entities, and proceeds from the sale of abandoned property representing abandoned or unclaimed funds.

This fund is established and governed by Section 447.543.2, RSMo Cumulative Supp. 1998. Under Sections 447.500 through 447.595, RSMo, various financial,

business, and governmental entities, unless otherwise exempted, are to remit to the State Treasurer all funds which have been presumed abandoned or unclaimed for the required dormancy period, less any reasonable costs of complying with the law incurred during the required notification or report process. The State Treasurer is to deposit these funds in the Abandoned Fund Account Fund. Claims may be filed at any time and are paid upon proof of an approved claim. At any time when the balance of the fund exceeds \$50,000, the State Treasurer may, and at least once every fiscal year shall, transfer to the state's General Revenue Fund the balance of the Abandoned Fund Account Fund in excess of \$50,000. If any claim or refund reduces the balance of the fund to less than \$25,000, the State Treasurer shall transfer from the state's General Revenue Fund an amount which is sufficient to restore the balance to \$50,000. Appropriations from this fund authorize disbursements for the payment of claims of abandoned funds.

Section 447.543.2, RSMo Cumulative Supp. 1998, effective August 28, 1998, authorizes changes to the State Treasurer's procedures regarding unclaimed property. This legislation requires the State Treasurer, at least once every fiscal year, to transfer to the state's General Revenue Fund the balance of the Abandoned Fund Account Fund in excess of one-twelfth of the disbursements from the previous year.

Treasurer's Information Fund: The office receives appropriations from this fund and maintains a proprietary interest in the fund. This fund, established by Section 30.610, RSMo 1994, may receive monies from governmental entities or the general public for the preparation, reproduction, or dissemination of information or publications of the State Treasurer. Appropriations from this fund shall be used to pay for personal service, equipment and other expenses of the office necessary for the preparation, reproduction or dissemination of information or publications of the State Treasurer.

General Revenue Fund-State: The office receives appropriations from this fund and does not maintain a proprietary interest in the fund. Appropriations from the fund are used for the basic operation of the office, including those programs and services that have no other funding source. These appropriations also may be used to initially fund, or to provide matching funds or support for, programs paid wholly or partially from other sources.

Highway Department Fund: The office receives appropriations from this fund and does not maintain a propriety interest in the fund. Appropriations from the fund are used for that portion of the basic operation of the office which relates to the administration of highway department funds.

Worker's Compensation - Second Injury Fund: The office receives appropriations from this fund and does not maintain a proprietary interest in the fund. Appropriations from the fund are used for that portion of basic operations which relate to the administration of Second Injury Fund claims.

#### D. Employee Fringe Benefits

In addition to the social security system, employees are covered by the Missouri State Employees' Retirement System (MOSERS) (a noncontributory plan) and may participate in the state's health care, optional life insurance, deferred compensation, and cafeteria plans. The optional life insurance and cafeteria plans involve only employee contributions or payroll reductions. Also, the deferred compensation plan involves employee payroll deferrals and a monthly state matching contribution for each participating employee.

The state's required contributions for employee fringe benefits are paid from the same funds as the related payrolls. Those contributions are for MOSERS (retirement, basic life insurance, and long-term disability benefits); social security and medicare taxes; health care premiums; and the deferred compensation plan match.

Transfers related to salaries are not appropriated by agency and thus are not presented in the financial statements at Exhibit E.

#### 2. Cash and Investments

The balances of the Central Check Mailing Service Revolving Fund, Abandoned Fund Account Fund, and Treasurer's Information Fund are pooled with other state funds and invested by the state treasurer.

#### 3. Reconciliation of Total Disbursements to Appropriated Expenditures

Disbursements on Exhibit D reconcile to appropriated expenditures on Exhibit E as follows:

		Year Ended June 30,			
		1998		1997	
		Abandoned Fund Account	Treasurer's Information Fund	Abandoned Fund Account	Treasurer's Information Fund
DISBURSEMENTS PER EXHIBIT D	\$	4,400,527	1,175	3,168,503	1,716
Employee fringe benefits					
Lapse period expenditures:					
1998		330,480	952	0	0
1997		(184,785)	(865)	184,785	865
1996		0	0	2,546	0
Accounts payable, June 30:					
1998		15,977	42	0	0
1997		(8,416)	0	8,416	0
1996		0	0	(10,701)	0
EXPENDITURES PER EXHIBIT E	\$	4,553,783	1,304	3,353,549	2,581

4. Year 2000 (Y2K) Plan of Action

The State Treasurer's Office (STO) is custodian of all state funds. The duties of the STO include investing \$3.2 billion in state funds not needed for daily operations; overseeing the state's banking services; administering the \$350 million Missouri First Linked-Deposit Program; and managing the state's \$125 million in unclaimed property.

Currently, the STO's Y2K effort includes securing vendor validation and testing software applications, as well as completing the migration of seven applications from a Burroughs system to an NT server environment.

The Y2K project was started more than two years ago with an initial assessment being completed by in-house staff and then with an assessment by a consultant with Andersen Consulting, Inc. During these assessments, the mission-critical applications were identified and prioritized.

Six applications located on the Burroughs system - Appropriations Accounting, Fund Accounting, Fixed Assets, Trust Accounting, Interest Distributions and Internal Budget Controls - are being replaced by an off-the-shelf package called FundWare. The bid has been awarded for consulting services addressing the Burroughs system and the implementation is scheduled for the June or July 1999 timeframe.

The linked deposit system, also located on the Burroughs system, is currently being analyzed in order to move it to an NT platform. A bid was awarded in April 1999 for consulting services to address the linked deposit system issues and the implementation is scheduled for late summer or early fall of 1999.

Three other mission-critical applications are Sympro, used for Investments; the Wagers System, account managing software for the Division of Unclaimed Property; and banking services software. Sympro is already Y2K compliant, and the Wagers system was upgraded and validated in October of 1998 to be Y2K compliant. Part of the bank bid evaluation process required the bidding bank to provide documentation for their Y2K compliance strategy. All other software is being researched at this time to determine if it will be patched, upgraded, or replaced to make it compliant.

The STO's microcomputer desktops are a mixture of Dell and Proteva machines. The vendor information for Dell indicates all of these are Y2K compliant. However, additional testing is being done to ensure this information is correct. The few Proteva desktops will be evaluated and the vendor contacted to determine if they are Y2K compliant or need to be replaced.

Notes to the Supplementary Data:

5. General Fixed Assets

General fixed assets, which are recorded as expenditures when acquired, are capitalized at cost in the General Fixed Assets Account Group and are not depreciated.

6. Basis of Presentation

The amounts presented in Schedules 4 through 8 represent all funds in the state treasury and all trust funds in the custody of the State Treasurer.

State treasury funds are subjected to appropriation; trust funds are not. The schedules do not include any funds or investments that are not in the custody of the State Treasurer.

7. Cash and Investments

Article IV, Section 15 of the Missouri Constitution establishes the State Treasurer as custodian of all state funds and funds received from the U. S. government. This section further authorizes the State Treasurer to place all such monies on time deposit, bearing interest, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and the State Auditor, or in obligations of the U. S. government or any agency or instrumentality thereof maturing or becoming payable not more than three years from the date of purchase. In addition, the State Treasurer may enter into repurchase agreements maturing and becoming payable within ninety days secured by U. S. Treasury obligations or obligations of U. S. government agencies or instrumentalities of any maturity, as provided by law.

Article IV, Section 15 of the Missouri Constitution was amended on November 3, 1998. The amendment became effective December 3, 1998 and changed the number of years for which the State Treasurer's Office is allowed to invest monies maturing and becoming payable, extending the limit from three years to five years from the date of purchase. The treasurer may also now invest in banker's acceptances issued by domestic commercial banks possessing the highest rating issued by a nationally recognized rating agency and in commercial paper issued by domestic corporations which has received the highest rating issued by a nationally recognized rating agency. Investments in banker's acceptances and commercial paper shall mature and become payable not more than one hundred eighty days from the date of purchase, maintain the highest rating throughout the duration of the investment and meet any other requirements provided by law. The State Treasurer shall also prepare, maintain and adhere to a written investment policy which shall include an asset allocation plan limiting the total amount of state money which may be invested in each investment category authorized by this section.

## Deposits

The State Treasurer maintains approximately 1,400 bank accounts throughout the state. These accounts include time deposits, collection accounts which are demand deposit accounts for various state agencies, and the state's primary operating accounts which are also demand

deposit accounts. Cash balances in the state's operating accounts which are not needed for immediate use are invested.

The State Treasurer's deposits at June 30, 1998 were entirely covered by federal depository insurance or by collateral securities held by custodial banks in the State Treasurer's name.

To protect the safety of state deposits, Sections 30.270 and 110.020, RSMo 1994, require depositories to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation.

## Investments

The State Treasurer's investments are listed by type below to give an indication of the level of risk assumed by the state at year-end. All investments are insured or registered, or have collateral held by the State Treasurer or a custodial bank in the state's name.

		June 30, 1998	
		Reported Amount	Fair Value
Repurchase agreements	\$	402,871,000	402,871,000
U.S. government securities		3,048,280,491	3,061,140,430
Other investments		10,130	61,705
Total Investments	\$	3,451,161,621	3,464,073,135

Investments are recorded at acquisition cost except other investments which are recorded at par. Investments in repurchase agreements are acquired at face value and earn a stated interest rate. Investments in U. S. government securities are acquired at market value and mature at face value.

### 8. Demand Deposit and Collection Accounts

The demand deposits with Mercantile Bank on Schedule 4 consist of one central demand account in 1998. The demand deposits with Central Bank consist of seven central demand accounts in 1998, 1997 and 1996, and five in 1995. The demand deposits with United Missouri Bank, Central Bank, and Boatmen's National Bank in 1994 consist of four central demand accounts. The Lottery Concentration Account was at Central Bank in 1998, 1997,

1996, 1995, and 1994. The Conservation Concentration Account was at Central Bank in 1998, 1997, and 1996.

The book balances as presented include deposits and transfers in transit of \$0, \$0, \$0, \$5,075,083, and \$3,201,055 at June 30, 1998, 1997, 1996, 1995, and 1994 for Central Bank. Bank balances were \$28,187,539 at June 30, 1998 for Mercantile Bank; \$22,567,839, \$58,791,756, \$34,932,976, \$20,414,570, and \$37,484,632 at June 30, 1998, 1997, 1996, 1995, and 1994 for Central Bank; \$0, \$0, \$0, \$0, and \$100,000 at June 30, 1998, 1997, 1996, 1995, and 1994 for United Missouri Bank; and \$0, \$0, \$0, \$0, and \$300,000 at June 30, 1998, 1997, 1996, 1995, and 1994 for Boatmen's National Bank.

Banking service agreements on the central demand accounts allow the State Treasurer to invest outstanding checks up until the checks clear the bank, thereby investing an amount in excess of book balances. The negative balances at June 30 (Schedule 4) for the appropriated funds demand deposits represent the book balance net of amounts invested.

9. Other Investments

The amounts presented in the appropriated funds as other investments represent investments in corporate common stocks, corporate bonds, mineral rights, and U.S. Government securities for the Confederate Memorial Trust Fund, Doctor Edmund A. Babler Memorial State Park Trust Fund, and Pansey Johnson-Travis Memorial State Gardens Trust Fund, that were transferred to the State Treasurer from previous trustees of the funds.

10. Investments of Other Agencies

Schedules 7 and 8 do not include those funds which are invested directly by other agencies; e.g., the Agricultural Development Fund, the State Public School Fund, the Department of Revenue non-state (local) funds, and the State Seminary Fund. The State Treasurer does not have investment authority for these funds and is not responsible for the efficiency of the investment of these funds or for the collection and distribution of the interest income.

11. Amount and Yield on Investment Earnings

The amount and yield on investments earnings on Schedule 8 are presented on a cash basis. However, approximate accrued amounts were \$44,990,000, \$39,100,000, \$29,200,000, \$19,900,000, and \$11,700,000 at June 30, 1998, 1997, 1996, 1995, and 1994, respectively, giving approximate yield rates of 5.51 percent, 5.37 percent, 5.39 percent, 5.19 percent, and 3.44 percent for the same corresponding periods on an accrual basis.

## MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -  
State Auditor's Current Recommendations

OFFICE OF STATE TREASURER  
SUMMARY OF FINDINGS

1. Bank Reconciliations (pages 45-46)

The reconciliation of the Electronic Receipt / Payment Account was not performed in a timely manner.

2. Abandoned Fund Account Fund Transfers (pages 47-48)

The transfer of excess balances from the Abandoned Fund Account Fund to the state's General Revenue Fund was not performed as required by state law.

3. Missouri First Linked Deposit Program Audits (pages 48-50)

Audits and other reviews of deposits and loans related to several components of the Missouri First Linked Deposit Program were not being performed on a timely basis or in accordance with written procedures.

OFFICE OF STATE TREASURER  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S CURRENT RECOMMENDATIONS

We have audited the special-purpose financial statements of the Office of State Treasurer as of and for the year ended June 30, 1998, and have issued our report thereon dated December 31, 1998.

The following Management Advisory Report presents our findings and recommendations arising from our audit of the office's special-purpose financial statements. During our audit, we also identified certain management practices which we believe could be improved. Our audit was not designed or intended to be a detailed study of every system, procedure, and transaction. Accordingly, the findings presented in the following report should not be considered as all-inclusive of areas where improvements may be needed.

<b>1.</b>	<b>Bank Reconciliations</b>
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The State Treasurer's Office (STO) maintains numerous bank accounts to handle state monies. Due to the volume of activity, and the number and complexity of reconciling items, many of the main operating accounts are normally reconciled daily. However, one of these accounts, the Electronic Receipt/Payment Account, was not being reconciled on a timely basis.

The Electronic Receipt/Payment Account is used to process many of the state's electronic transactions, such as wire transfer receipts of federal monies, credit card receipts, direct deposits of payroll checks, and electronic vendor payments. During our audit, we noted that the daily bank reconciliations for this account ranged from five to nine months behind. For example, as of September 10, 1998 the account had only been reconciled up through December 22, 1997 and reconciliations of the daily activity up through June 30, 1998 were not completed until approximately December 2, 1998. To allow errors and other reconciling items to be identified, researched, and corrected in a timely manner, bank reconciliations should be kept up-to-date.

**WE RECOMMEND** the STO ensure reconciliations of all bank accounts are done on a timely basis.

**AUDITEE'S RESPONSE**

*The STO is committed to ensuring the timely performance of all bank reconciliations. With the exception of the state's Electronic Receipt/Payment Account ("electronic account"), for the reasons noted herein, the STO has routinely and successfully reconciled all state accounts on a timely basis. Prior to the audit recommendations, the STO recognized that additional measures were necessary to ensure the timely reconciliation of the state's electronic account. Transactions in the electronic account alone*

increased approximately 22 percent from Fiscal Year 1996 to Fiscal Year 1998. In addition, the increasing complexities of the transactions have resulted in a significantly greater number of reconciling items that require research.

The STO, prior to the audit recommendations, conducted numerous meetings with bank personnel and personnel from private industry to identify potential long-term solutions for maintaining timely reconciliation of the electronic account.

The STO subsequently obtained an appropriation, and is currently in the process of drafting a Request For Proposal to purchase an account reconciliation software system that will electronically aid the STO with the bank reconciliation process.

In addition, STO personnel have requested that the new statewide accounting system (SAM II) be designed to utilize bank account codes which will allow detailed transactions from the accounting system to be automatically reconciled by the STO's reconciliation system to activity electronically reported by the bank. By automating the routine matching process, the STO will have more time and resources to dedicate to researching and resolving the exception and older outstanding items, which are essential functions to ensure timely reconciliation of all state accounts.

The audit recommendations specifically address the issue of timely reconciliation of the electronic account. The STO is not aware of reconciliation issues involving any other state accounts, and has thus focused its response to the audit recommendations on timely reconciliation of the electronic account.

In addition to the long-term measures outlined in the section above, the STO has already implemented the following short-term measures to ensure compliance with the audit recommendations:

1. The Trust Accounts Coordinator assigned to reconcile the electronic account has increased her total work hours per week, and will spend up to 16 additional hours per week dedicated to bringing reconciliation of the electronic account up-to-date.
2. The Banking Account Coordinator will assist the Trust Account Coordinator in bringing the reconciliation of the electronic account up-to-date, and will continue to research exception and outstanding items.
3. In addition, the Accounting and Banking Services Administrator and the Director of Banking and Administrative Services will allocate time to assist with the reconciliation of the electronic account.

It is anticipated that reconciliation of the electronic account will be current as of August 16, 1999, and that the short-term and

*long-term measures outlined above will ensure full compliance with the audit recommendations.*

<b>2. Abandoned Fund Account Fund Transfers</b>
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The STO did not properly transfer the excess fund balance from the Abandoned Fund Account Fund to the General Revenue Fund as required by state law. The Abandoned Fund Account Fund was established by Section 447.543, RSMo, to accept deposits of all abandoned property turned over to the state and to pay claims and expenses related to that abandoned property.

Section 447.543.2, RSMo 1994, states that the "Treasurer may, and at least once every fiscal year shall" transfer to the General Revenue Fund the balance of the fund in excess of \$50,000. To comply with this requirement, and to avoid multiple transfers back into the fund to cover claims and expenditures, the STO monitors the cash balance at the beginning of each month and transfers out the balance of funds, if any, in excess of \$500,000 and once each fiscal year reduces the balance to \$50,000. Apparently due to oversight however, the last time the balance was actually reduced to \$50,000 was in May 1997. As of June 30, 1998, the balance in the fund totaled approximately \$675,000.

Effective in August 1998, revisions to Section 447.543.2 changed the balance to which the fund must be reduced from \$50,000 to one-twelfth of the previous fiscal year's total disbursements from the fund. Based on the total fund disbursements for the fiscal year ended June 30, 1998, the new balance to which the fund must be reduced at least once each fiscal year is approximately \$345,000. As of December 1998, the STO had still only reduced the monthly balances to \$500,000.

**WE RECOMMEND** the STO continue to monitor the cash balance of the Abandoned Fund Account Fund and ensure that the necessary transfer is made at least once each fiscal year to reduce the balance to the level required by state law.

**AUDITEE'S RESPONSE**

*The STO has, for several years, recognized the discrepancy between the requirements of Section 447.543.2, RSMo 1994, which prior to the effective date of HB1510 (August 28, 1998), required an annual transfer to the General Revenue Fund of all balances held in the Abandoned Fund Account in excess of \$50,000. The annual amount of funds disbursed from the Abandoned Fund Account has increased from \$24,000 in Fiscal Year 1985 to over \$5,100,000 in Fiscal Year 1999.*

*Prior to HB1510, the rapid growth of unclaimed property disbursements gave rise to cash flow issues when the STO attempted to comply with the annual sweep of balances in excess of \$50,000. The statutory minimum was simply too low to allow the STO to provide adequate funds for the return of property to the rightful owners. Recognizing that the \$50,000 limit was insufficient, the*

Missouri Legislature, in 1998, passed HB1510, which amended Section 447.543.2 to allow the Abandoned Fund Account to retain, as a minimum balance, 1/12<sup>th</sup> of the previous year's disbursements. Rather than setting the statutory minimum as a fixed dollar amount, the new minimum account balance calculation allows the minimum balance held in the fund to grow as the STO continues to reunite an increasing number of owners with their unclaimed property. The STO is fully committed to complying with current state law regarding the annual transfer of the cash balance in excess of 1/12<sup>th</sup> of the previous year's disbursements from the Abandoned Fund Account. The STO has implemented a monthly procedure for transferring the fund balance down to the statutory limit. The balance transfer is made unless there are other needs for the Abandoned Fund Account balances, such as Article X transfers or the expectation of substantial claim payments.

The audit recommendations state that due to "oversight," the last time the Abandoned Fund Account balance was reduced to \$50,000 (the pre-HB1510 limit) was in May 1997. The STO suggests that oversight was not, in fact, to blame. Rather, circumstances surrounding the transfer of funds for Article X reimbursements and the difficulties in maintaining adequate balances to reimburse unclaimed property claims, under pre-HB1510 statutory requirements were causal factors.

The STO was contacted by the Office of Administration in February 1998 indicating that an Article X transfer would be made on April 8, 1999. Two transfers in the amount of \$379,601 and \$593,166 were made from the Abandoned Fund Account on June 17 and June 30, 1998, respectively. A transfer was made from the General Revenue Fund to the Abandoned Fund Account in the amount of \$972,767 on June 29, 1998. The timing and size of these transactions impaired the STO's ability to bring the Abandoned Fund Account down to \$50,000. If the offsetting transfer of \$972,767 was not made on June 29, 1998, the Abandoned Fund Account could have gone into the negative.

While the timing of Article X transfers is still not precise, and the maintenance of adequate balances to ensure the payment of claims out of the Abandoned Fund Account remains a priority, the STO will follow the audit recommendations by continuing to closely monitor the cash balance of the Abandoned Fund Account and by annually implementing the balance transfer requirements as they presently exist under current state law.

**3.****Missouri First Linked Deposit Program Audits**

Under the Missouri First Linked Deposit Program, below-market rate deposits of state funds are placed in Missouri financial institutions, allowing eligible borrowers to obtain low-interest loans from the institutions. Linked deposits are generally placed for one year, but for certain program components, deposits may be renewed if funds are available. The intent of the program is to make funds available at reduced-interest rates to lenders who agree to make reduced-rate loans to borrowers through the Missouri First Linked Deposit Program. The linked deposit program is made up of six components: Agriculture, Small Business, Job Creation, Multi-Family Housing Development, Student Loans, and Drought Relief. Financial institutions are required to pay the market rate interest to the state on any portion of the deposit that is not loaned out during the period of deposit or in accordance with program restrictions.

In an effort to ensure that linked deposit loans are being made only to eligible borrowers and are being used for their intended purpose, the State Treasurer's Office (STO) has designed an audit process for each of the linked deposit programs. Our review of the audits performed noted the following concerns:

- A. Reviews of limits on the amount of outstanding loans per borrower related to the Agriculture (AG) and Small Business (SB) linked deposit programs have not been conducted on a timely basis. The STO had approximately \$187 million in AG and SB deposits with numerous banks at both June 30, 1998 and December 31, 1998.

Reviews of the loan activity via social security numbers (SSN) of AG and SB program participants are supposed to be performed to identify, for audit, any borrowers who exceeded the statutory limit on the amount of AG and SB loans that they may have outstanding at any one time. However, due to turnover and vacancies in the linked deposit program's compliance auditor position, as of December 1998, SSN reviews had not been performed for any deposits maturing in 1997.

- B. Audits of the Job Creation linked deposit program have not been conducted in accordance with the STO's written procedures. The STO had approximately \$34 million and \$28 million in Job Creation deposits with numerous banks at June 30, 1998 and December 31, 1998, respectively.

The STO's written compliance examination procedures for the Job Creation program require that, annually, approximately 10 to 20 percent of Job Creation deposits maturing be selected based on various criteria and audited. However, due to the staff turnover and vacancies noted above, these procedures have not been followed for over two years. Rather, the STO has placed heavy reliance on self-reporting by the borrowers. Deposits were only selected for audit if the borrower self-reported that they did not create or retain the required number of jobs by the end of the deposit period or if the number of total jobs reported by the borrower exceeded the number

of jobs for that borrower per information obtained from the Division of Employment Security.

**WE RECOMMEND** the STO ensure that audits and other reviews of the Missouri First Linked Deposit Program are performed on a timely basis. In addition, the audits should conform to the STO's written guidelines.

### **AUDITEE'S RESPONSE**

*The STO is committed to ensuring that the audits and other reviews of the MISSOURI FIRST Linked Deposit Program (Linked Deposit) are performed on a timely basis. Currently, all Linked Deposit audits conform to the STO written guidelines. Any changes in Linked Deposit audit policy are approved and adopted by the Linked Deposit committee and incorporated into the current policy manual prior to implementation.*

- A. SSN reviews are performed in the spring of each year after all data summary information through December 31 has been entered into the system. Due to the implementation of the automated billing system in the spring of 1998, SSN reviews were postponed until the fall. The auditor resigned prior to performing these audits. As of June 1, 1999, SSN reviews for the years ending December 31, 1997 and 1998 were complete.*
- B. Formal audit procedures require that six and twelve month letters be sent to the borrower/company requesting information on their job creation/retention. Formal procedures also require that verification of the twelve-month employment information be performed with the Division of Employment Security, and that 10-20% of maturing deposits are then audited. During Fiscal Year 1997, sixty-two Job Creation deposits matured. Of those, fifteen borrowers paid additional interest due to insufficient job creation, three borrowers were visited, and five recipients supplied additional information that replaced onsite visits.*

This report is intended for the information of the management of the Office of State Treasurer and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

## Follow-Up on State Auditor's Prior Recommendations

OFFICE OF STATE TREASURER  
FOLLOW-UP ON STATE AUDITOR'S PRIOR RECOMMENDATIONS

This section reports follow-up action taken by the Office of State Treasurer on recommendations made in the Management Advisory Report (MAR) of our report issued for the year ended June 30, 1997.

Missouri First Linked Deposit Program

- A.1. The State Treasurer's Office (STO) had not established formal procedures outlining specific steps to be followed in the collection of delinquent accounts receivable.
- 2. Explanations of why some billings were written off were not adequately documented. In addition, authorization from someone independent of the billing function was not documented.
- 3. The STO did not issue prenumbered billing forms.
- 4. The STO had not established an accounts receivable control account.
- B. The STO did not adequately ensure the eligibility of applicants for the agriculture and small business programs. During the application process, the STO allowed the individual applying for the loan to certify to the financial institution that eligibility requirements had been met, and the financial institution in turn certified to the STO that the applicant met the criteria. The STO's audit process for agriculture and small business deposits did not include verifying these certifications.

Recommendation:

The STO:

- A.1. Implement formal procedures for the collection of delinquent accounts. In addition, documentation should be maintained of all collection efforts.
- 2. Require adequate supporting documentation indicating how billings for additional interest are resolved. In addition, billings that are considered resolved should be approved by someone independent of the record keeping process.
- 3. Issue prenumbered billing forms for additional interest being billed to the banks.
- 4. Establish and maintain an accounts receivable control account, and periodically reconcile the control account to the detailed listings of amounts due from the various banks.

- B. Review the audit procedures currently being performed for the agricultural and small business programs, and consider establishing procedures to evaluate the eligibility certifications made by the financial institution and the loan applicant. In addition, the STO should ensure that the procedures performed to evaluate the eligibility of the applicant are well documented.

Status:

- A.1. Implemented. A formal collection and billing procedures manual is now in use and all collection efforts are documented in the accounts receivable system and in the audit files.
  - 2. Implemented. The compliance auditor is required to document how billings for additional interest were resolved. In addition, the Director of Investments is required to authorize any billing resolution other than full payment.
  - 3&4. Implemented.
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- B. Implemented. The compliance auditor is now required to verify the eligibility requirements on 5% of the agriculture and small business deposits being audited. Loan applications now must also be filed with the STO prior to loan approval and each applicant's "years in program" eligibility (loan applicants are restricted to five years in the program) is validated prior to loan approval or loan renewal. In addition, the Division of Finance has begun reviewing the eligibility requirements of Missouri First deposits in conjunction with its field audits of banks throughout the state. However, our audit noted concerns with the STO's timeliness in performing the audits of agriculture and small business deposits. See MAR No. 3.

## STATISTICAL SECTION

History, Organization, and  
Statistical Information

## OFFICE OF STATE TREASURER HISTORY AND ORGANIZATION

The Office of State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer as defined by Article IV Section 15 are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies in interest bearing time deposits, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and State Auditor or in short-term U. S. government securities.

The Office of State Treasurer operates in four major functional areas: 1) accounting and banking services; 2) disbursements and records; 3) investments and deposit programs; and 4) unclaimed property.

The accounting and banking services area: 1) maintains a fund accounting system for the purpose of allocating investment interest to funds; 2) maintains ledger controls on fund balances and appropriations to assure that no check is issued that exceeds the lawful appropriated balances; 3) controls receipt of state monies collected by fee agents and state agencies and deposited in local banks throughout the state; 4) reconciles bank activity to receipt and disbursement activity reflected on the state books; and 5) determines the amount of state monies not needed for current operating expenses.

The disbursements and records area provides processing support to other departments of the State Treasurer's office, as follows: 1) confirms daily disbursements with the bank as certified by the Office of Administration; 2) provides storage and retrieval of state checks; and 3) controls and processes outlawed checks and processes and verifies claims for replacement checks.

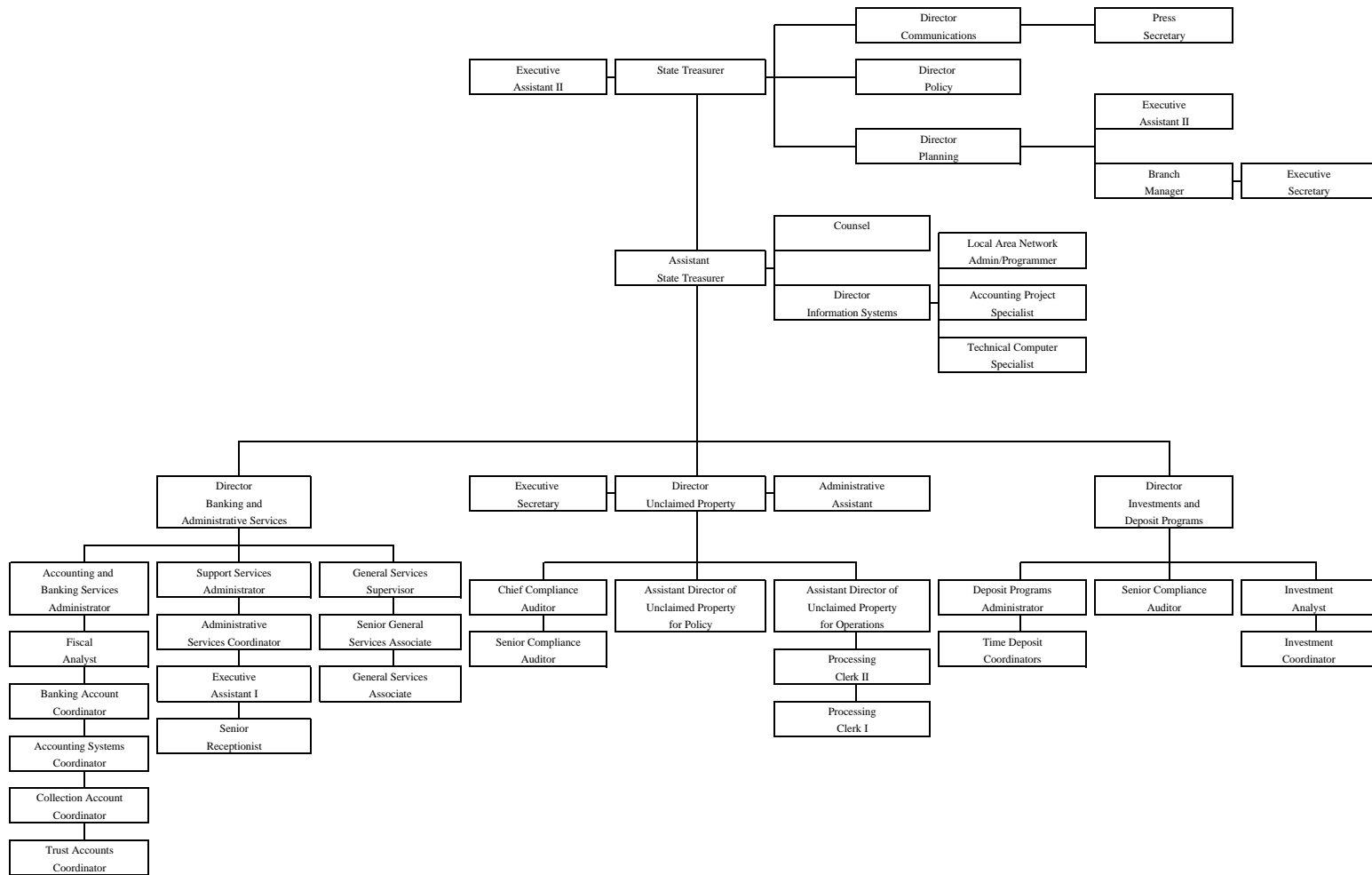
The investments area places state monies not needed for current operating expenses in interest-bearing time deposits, U.S. government and agency securities, and repurchase agreements. This area also administers the State Treasurer's statutory linked deposit program and monitors and accounts for the collateralization of state funds.

The Unclaimed Property Section administers Missouri's Unclaimed Property Act (Chapter 447 RSMo). The Unclaimed Property Section is responsible for: 1) ensuring unclaimed property is reported; 2) receiving and recording reports of unclaimed property; 3) depositing unclaimed funds to the Abandoned Fund Account Fund; 4) maintaining custody and safekeeping of abandoned or unclaimed physical property; and 5) processing owner claims for abandoned funds or physical property.

On January 13, 1997, Bob Holden was inaugurated for his second term as the forty-second Treasurer of the state of Missouri. Bob Holden's term will expire in January 2001.

As of June 30, 1998, the office had forty-four full-time and four part-time employees. An organization chart follows.

OFFICE OF STATE TREASURER  
 ORGANIZATION CHART  
 JUNE 30, 1998



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